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9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
10 **FOR THE COUNTY OF LOS ANGELES**
11

12 HILL RHF HOUSING PARTNERS, L.P., a
13 California limited partnership; OLIVE RHF
HOUSING PARTNERS, L.P., a California limited
14 partnership,

15 Petitioners/Plaintiffs,

16 vs.

17 CITY OF LOS ANGELES; DOWNTOWN
CENTER BUSINESS IMPROVEMENT
18 DISTRICT, a special assessment district in the
City of Los Angeles; DOWNTOWN CENTER
19 BUSINESS IMPROVEMENT DISTRICT
MANAGEMENT CORPORATION, a California
20 nonprofit corporation; and DOES 1 through 10,
inclusive,

21 Respondents/Defendants
22

CASE NO. BS170127

[Assigned to Hon. Amy D. Hogue, Dept. 86;
Related to Case No. BS170352]

**PLAINTIFF'S/PETITIONER'S
REQUEST FOR JUDICIAL NOTICE**

Complaint Filed: July 26, 2017
Trial Date: September 19, 2018
Time: 9:30 a.m.
Dept: Dept. 86

23
24 TO ALL PARTIES HEREIN AND TO THEIR COUNSEL OF RECORD:

25 Plaintiff/Petitioner, in conjunction with its concurrently-filed opening brief, hereby
26 requests judicial notice of the following documents, true and correct copies of which are attached
27 hereto, pursuant to California Evidence Code section 450 *et seq.*, including sections 450, 451,
28 and 452. *See also Jenkins v. JPMorgan Chase Bank, N.A.*, 216 Cal.App.4th 497, 536 (2013)

PLAINTIFFS'/PETITIONERS' REQUEST FOR JUDICIAL NOTICE

(citing *Fontenot v. Wells Fargo Bank, N.A.*, 198 Cal.App.4th 256, 264-65 (2013) [“[A] court may take judicial notice of numerous facts that can be deducted from recorded documents, including, among other things, their existence, recordation, and date of recordation”]), and *Scott v. JPMorgan Chase Bank, N.A.*, 214 Cal.App.4th 743, 753-54 (2013) (affirming the trial court’s taking judicial notice of a purchase and assumption agreement between the Federal Deposit Insurance Corporation and JPMorgan Chase):

Exhibit 1: Recorded Regulatory Agreement and Declaration of Restrictive Covenants, dated October 1, 2008 and executed by and among the Community Redevelopment Agency of the City of Los Angeles, California (as Issuer), the Bank of New York Mellon Trust Company, N.A. (as Trustee), and Hill RHF Housing Partners L.P., (as Owner of Angelus Plaza Phase I Apartments Project).

Exhibit 2: Recorded Regulatory Agreement and Declaration of Restrictive Covenants, dated October 1, 2008 and executed by and among the Community Redevelopment Agency of the City of Los Angeles, California (as Issuer), the Bank of New York Mellon Trust Company, N.A. (as Trustee), and Olive RHF Housing Partners L.P., (as Owner of Angelus Plaza North Apartments Project).

Exhibit 3: Organizational Clearance Certificate for Welfare or Veterans’ Organization Exemption issued by the California State Board of Equalization to Hill RHF Housing Partners, LLC.

Exhibit 4: Organizational Clearance Certificate for Welfare or Veterans’ Organization Exemption issued by the California State Board of Equalization to Olive RHF Housing Partners, LLC.

Exhibit 5: Supplemental Clearance Certificate for Limited Partnership Low-Income Housing

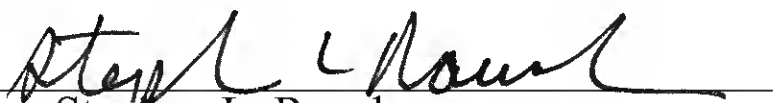
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Property – Welfare Exemption issued by the California State Board of
Equalization to Hill RHF Housing Partners, L.P.

Exhibit 6: Supplemental Clearance Certificate for Limited Partnership Low-Income Housing
Property – Welfare Exemption issued by the California State Board of
Equalization to Olive RHF Housing Partners, L.P.

DATED: June 25, 2018

REUBEN RAUCHER & BLUM

By: 
Stephen L. Raucher
Attorneys for Petitioners/Plaintiffs

LandAmerica Commercial Services

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Hawkins Delafield & Wood LLP
One Embarcadero Center, Suite 3820
San Francisco, California 94111
Attention: John O. Renken, Esq.

10/20/08



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REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS

By and Among

THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF LOS ANGELES, CALIFORNIA,
as Issuer,

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

and

HILL RHF HOUSING PARTNERS, L.P.,
as Owner

Dated as of October 1, 2008

Relating to

\$65,650,000

The Community Redevelopment Agency of The City of Los Angeles, California
Multifamily Housing Revenue Bonds
(Angelus Plaza Phase I Apartments Project), Series 2008A

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EXHIBIT 1

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REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS

This REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (as supplemented and amended from time to time, this "Regulatory Agreement") is made and entered into as of October 1, 2008, by and among THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA, a redevelopment agency and a public body, corporate and politic, organized and existing under and by virtue of the laws of the State of California (together with any successor to its rights, duties and obligations, the "Issuer" or the "Agency"), THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America (together with any successor in such capacity and its successors and assigns, the "Trustee"), in its capacity as trustee under the Indenture (as defined herein), and HILL RHF HOUSING PARTNERS, L.P., a California limited partnership (together with any successor to its rights, duties and obligations hereunder and as owner of the Project identified herein, the "Owner"),

WITNESSETH:

WHEREAS, pursuant to Chapter 8 of Part 1 of Division 24 of the Health and Safety Code of the State of California, as amended (the "Act"), the Issuer is empowered to issue the Bonds to finance the acquisition, rehabilitation and development of multifamily rental housing; and

WHEREAS, in furtherance of the purposes of the Act, and as a part of the Issuer's program of financing housing, the Issuer has issued its \$65,650,000 Multifamily Housing Revenue Bonds (Angelus Plaza Phase I Apartments Project), Series 2008A (the "Bonds"), the proceeds of which will be used to fund a mortgage loan (the "Loan") to the Owner to finance the acquisition, rehabilitation and equipping of four multi-story buildings consisting of 761 units of multifamily residential rental housing known as Angelus Plaza Apartments and the multistory Agape Center, located on the real property site described in EXHIBIT A hereto (the "Project"); and

WHEREAS, the Issuer has duly entered into a Loan Agreement, dated as of October 1, 2008 (as amended, modified or supplemented from time to time, the "Loan Agreement") with the Owner and the Trustee, specifying the terms and conditions of the loan of the proceeds of the Bonds to the Owner to finance the Project; and

WHEREAS, in order for interest on the Bonds to be excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), and the income tax regulations (the "Regulations") and rulings with respect to the Code, and in order to comply with the Act and the policies with respect to the Issuer's housing program, the use and operation of the Project must be restricted in certain respects; and

NOW, THEREFORE, in consideration of the issuance of the Bonds and the mutual covenants and undertakings set forth herein, and other good and valuable consideration,

the receipt and sufficiency of which hereby are acknowledged, the Issuer, the Trustee and the Owner hereby agree as follows:

Section 1. Definitions and Interpretation. Unless the context otherwise requires, the capitalized terms used herein shall have the respective meanings assigned to them in the recitals hereto, in this Section 1 or in Article I of the Indenture.

"Act" means Chapter 8 of Part 1 of Division 24 of the Health and Safety Code of the State of California.

"Adjusted Income" means the adjusted income of a person (together with the adjusted income of all persons the age of 18 years or older who intend to reside with such person in one residential unit) as calculated in the manner prescribed in Regulations Section 1.167(k)-3(b)(3) in effect as of the Closing Date.

"Administrator" means, initially, the Issuer, and thereafter any administrator or program monitor appointed by the Issuer in the administration of this Regulatory Agreement, and any successor so appointed, in each case pursuant to a certificate in substantially the form attached hereto as EXHIBIT D.

"Affiliated Party" means (1) a person whose relationship with the Owner would result in a disallowance of losses under Sections 267 or 707(b) of the Code, (2) a person who together with the Owner is a member of the same controlled group of corporations (as defined in Section 1563(a) of the Code, except that "more than 50 percent" shall be substituted for "at least 80 percent" each place it appears therein), (3) a partnership and each of its partners (and their spouses and minor children) whose relationship with the Owner would result in a disallowance of losses under Sections 267 or 707(b) of the Code, and (4) an S Corporation and each of its shareholders (and their spouses and minor children) whose relationship with the Owner would result in a disallowance of losses under Sections 267 or 707(b) of the Code.

"Area" means the Los Angeles County, California, Primary Metropolitan Statistical Area.

"Available Units" means residential units in the Project that are actually occupied and residential units in the Project that are unoccupied and have been leased at least once after becoming available for occupancy, provided that (a) a residential unit that is unoccupied on the later of (i) the date the Project is acquired or (ii) the issue date of the Bonds is not an Available Unit and does not become an Available Unit until it has been leased for the first time after such date, and (b) a residential unit that is not available for occupancy due to renovations is not an Available Unit and does not become an Available Unit until it has been leased for the first time after the renovations are completed.

"Bondholder Representative" means Citicorp Municipal Mortgage Inc., a Delaware statutory trust, in its capacity as Bondholder Representative (as defined in the Indenture) and its successors and assigns in such capacity.

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"Bonds" means the \$65,650,000 aggregate principal amount of The Community Redevelopment Agency of The City of Los Angeles, California, Multifamily Housing Revenue Bonds (Angelus Plaza Phase I Apartments Project), Series 2008A, issued October 15, 2008.

"Bond Counsel" means Hawkins Delafield & Wood LLP or any other firm of attorneys selected by the Issuer of nationally-recognized standing in matters pertaining to the federal tax exclusion of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America, but shall not include counsel for the Owner.

"CDLAC" means the California Debt Limit Allocation Committee and its successors and assigns.

"Certificate of Continuing Program Compliance" means the certificate with respect to the Project to be filed by the Owner with the Issuer, the Administrator and the Trustee pursuant to Section 4(e) hereof, which shall be substantially in the form attached hereto as EXHIBIT C hereto, or in such other form which the Issuer may find more convenient and consistent with its administrative procedures, as provided by the Issuer to the Owner.

"City" means the City of Los Angeles, California.

"Closing Date" means the date of issuance and delivery of the Bonds, which is October 15, 2008.

"Code" means the Internal Revenue Code of 1986, as amended.

"Completion Certificate" means the certificate of completion of the Project required to be delivered to the Issuer and the Administrator by the Owner pursuant to Section 2 of this Regulatory Agreement, which shall be substantially in the form attached hereto as EXHIBIT E.

"Completion Date" means the date acquisition, rehabilitation and equipping of the Project is completed.

"Costs of Issuance" means to the extent authorized by the Code, the Regulations and the Act, any and all costs incurred by the Issuer with respect to the authorization, sale and issuance of the Bonds, including, without limitation, printing costs, costs of reproducing documents, filing and recording fees, fees and charges of the Trustee, fees and expenses of counsel to the Trustee, fees and expenses of Bond Counsel, counsel to the Issuer, counsel to the Owner, counsel to the underwriter, fees and expenses of the Issuer's financial advisor, legal and accounting fees and charges, costs of credit ratings, fees and charges for execution, transportation and safekeeping of Bonds, fees and expenses of the City and the Issuer (including but not limited to the fees and expenses of the City Attorney), fees and expenses of counsel to any present or future credit enhancement provider for the Bonds, legal and accounting fees and charges, costs of credit ratings, fees of the CDLAC and the California Debt Advisory Commission, fees and charges for execution, transportation and safekeeping of the Bonds, initial fees of the Issuer and other costs, charges and fees in connection with the foregoing.

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"Deed of Trust" has the meaning assigned such term in the Indenture.

"Housing Act" means the United States Housing Act of 1937, as amended, or its successor.

"HUD" means the Department of Housing and Urban Development.

"Income Certification" means a Verification of Income and an Occupancy Certificate in the form attached as EXHIBIT B hereto, or in such other comparable form which the Issuer may find more convenient and consistent with its administrative procedures (as may be approved by Bond Counsel) as may be provided by the Issuer to the Owner.

"Indenture" shall mean the Trust Indenture, dated as of October 1, 2008, by and between the Issuer and the Trustee, as originally executed or as it may be from time to time supplemented, amended or modified.

"Inducement Date" means the date of the first official action by the Issuer expressing its intent to issue revenue obligations to assist the Owner in financing the Project, which is December 20, 2007.

"Loan" means the loan made to the Borrower pursuant to the Loan Agreement to provide financing for the acquisition and rehabilitation of the Project.

"Loan Agreement" shall mean the Loan Agreement, dated as of October 1, 2008, by and between the Issuer and the Owner, as originally executed or as it may from time to time be supplemented, amended or modified.

"Low Income Tenant" means any Tenant whose Adjusted Income does not exceed sixty percent (60%) of Median Income for the Area, with adjustments for family size. If all the occupants of a unit are students (as defined under Section 151(c)(4) of the Code), no one of whom is entitled to file a joint return under Section 6013 of the Code, such occupants shall not qualify as Low Income Tenants. The determination of a Tenant's status as a Low Income Tenant shall initially be made by the Owner upon initial occupancy of a unit in the Project by such Tenant, on the basis of an Income Certification executed by the Tenant upon such Tenant's occupancy of a unit in the Project and upon annual recertification thereafter.

"Low Income Units" means the units in the Project required to be rented, or held available for occupancy, by Low Income Tenants pursuant to Sections 4(a) and 5(a) hereof.

"Median Income for the Area" means the median income for the Area as most recently determined by the Secretary of Treasury pursuant to Section 142(d)(2)(B) of the Code.

"Owner" or "Borrower" means Hill RHF Housing Partners, L.P., a California limited partnership, and its successors and assigns.

"Project" means the 761 unit multifamily residential rental housing project, and ancillary capital and commercial improvements, known as Angelus Plaza Apartments, located on the real property site described in EXHIBIT A hereto, consisting of those facilities, including the

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real property, and the structures, buildings, fixtures or equipment situated thereon, as it may at any time exist, the acquisition, rehabilitation and improvement of which facilities are to be financed, in whole or in part, from the proceeds of the sale of the Bonds, and any real property, structures, buildings, fixtures or equipment acquired in substitution for, as a renewal or replacement of, or a modification or improvement to, all or any part of such facilities.

"Project Costs" means to the extent authorized by the Code, the Regulations and the Act, any and all costs incurred by the Owner with respect to the acquisition, rehabilitation and equipping, as the case may be, of the Project, whether paid or incurred prior to or after the sixtieth day (60th) preceding the Inducement Date, including, without limitation, costs for site preparation, the planning of housing and related facilities and improvements, the acquisition of property, the removal or demolition of existing structures, the construction of housing and related facilities and improvements, and all other work in connection therewith, and all costs of financing, including, without limitation, the cost of consultant, accounting and legal services, other expenses necessary or incident to determining the feasibility of the Project, contractors' and Owner's overhead and supervision fees and costs directly allocable to the Project, administrative and other expenses necessary or incident to the Project and the financing thereof (including reimbursement to any municipality, county or entity for expenditures made, with the approval of the Issuer, for the Project), interest accrued during rehabilitation and prior to the Completion Date and all other costs approved by Bond Counsel.

"Qualified Project Costs" means the Project Costs (excluding Costs of Issuance) incurred after the sixtieth day (60th) preceding the Inducement Date which constitute either land or property of a character subject to the allowance for depreciation under Section 167 of the Code or are chargeable to a capital account with respect to the Project for federal income tax and financial accounting purposes, or would be so chargeable either with a proper election by the Owner or but for the proper election by the Owner to deduct those amounts within the meaning of Section 1.103-8(a)(1)(i) of the Regulations; provided, however, that only such portion of interest accrued during acquisition, rehabilitation and equipping of the Project shall constitute a Qualified Project Cost as bears the same ratio to all such interest as the Qualified Project Costs bear to all Project Costs paid from Bond proceeds and interest earnings thereon; and provided further that interest accruing after the Completion Date shall not be a Qualified Project Cost; and provided further still that if any portion of the Project is being acquired, rehabilitated or equipped by an Affiliated Party (whether as a general contractor or a subcontractor), "Qualified Project Costs" shall include only the actual out-of-pocket costs incurred by such Affiliated Party in acquisition, rehabilitation or equipping the Project (or any portion thereof) and not, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the acquisition, rehabilitation or equipping of the Project or payments received by such Affiliated Party due to early completion of the Project (or any portion thereof); "Qualified Project Costs" do not constitute costs of issuance of the Bonds, leasing commissions, costs of advertising for the Project or other costs related to the rental of units in the Project, or management fees for the management and operation of the Project.

"Qualified Project Period" means the period beginning on the later of the Closing Date or the first day on which at least 10% of the dwelling units in the Project are first occupied, and ending on the later of the following:

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(a) the date which is fifteen (15) years after the date on which at least fifty percent (50%) of the units in the Project are first occupied; or

(b) the first date on which no Tax-Exempt private activity bonds with respect to the Project are Outstanding; or

(c) the date on which any assistance provided with respect to the Project under Section 8 of the Housing Act terminates; and

(d) such later date as may be specified in Section 6 hereof;

provided, that if at least 10% of the residential units in the Project are Available Units at all times within 60 days after the later of (1) the date the Project is acquired by the Owner, or (2) the issue date of the Bonds, then the Qualified Project Period shall begin on the date one year after the issue date of the Bonds and end on the later of (i) the date that is fifteen (15) years after such date or (ii) the later of the dates specified in clauses (a), (b), (c) and (d) above. For purposes of clause (b), the term "private activity bonds" has the meaning set forth in Section 141(a) of the Code.

"Regulations" means the Income Tax Regulations of the Department of the Treasury applicable under the Code from time to time,

"Regulatory Agreement" means this Regulatory Agreement and Declaration of Restrictive Covenants, dated as of October 1, 2008, as it may be supplemented, modified or amended from time to time.

"Tax Certificate" means the Tax Certificate and Agreement, dated the issuance date of the Bonds executed and delivered by the Issuer and the Owner, as amended or supplemented from time to time.

"Tax-Exempt" means, with respect to interest on any obligations of a state or local government, including the Bonds, that such interest is excluded from gross income for federal income tax purposes; *provided, however*, that such interest may be includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities under the Code.

"Tenant" means, at any time of determination thereof, all persons who together occupy a single residential unit in the Project, and upon the occupancy of a unit by any individual in addition to the previous Tenant of such unit, such unit shall be deemed to be occupied by a new Tenant.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., acting as trustee under the Indenture or any successor trustee appointed in accordance with the terms of the Indenture.

"Verification of Income" means a Verification of Income in the form attached as EXHIBIT B hereto, or in such other comparable form which the Issuer may find more convenient and consistent with its administrative procedures (as may be approved by Bond Counsel) as may be provided by the Issuer to the Owner.

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"Very Low Income Tenant" means any Tenant whose Adjusted Income does not exceed fifty percent (50%) of Median Income for the Area with adjustments for family size. If all the occupants of a unit are students (as defined under Section 151(e)(4) of the Code), no one of whom is entitled to file a joint return under Section 6013 of the Code, such occupants shall not qualify as Very Low Income Tenants. The determination of a Tenant's status as a Very Low Income Tenant shall initially be made by the Owner upon initial occupancy of a unit in the Project by such Tenant, on the basis of an Income Certification executed by the Tenant upon such Tenant's occupancy of a unit in the Project and upon annual recertification thereafter.

"Very Low Income Units" means the units in the Project required to be rented, or held available for occupancy by, Very Low Income Tenants pursuant to Sections 4 and 5(a) hereof.

Unless the context clearly requires otherwise, as used in this Regulatory Agreement, words of any gender shall be construed to include each other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Regulatory Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Regulatory Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Regulatory Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

The parties to this Regulatory Agreement acknowledge that each party and their respective counsel have participated in the drafting and revision of this Regulatory Agreement. Accordingly, the parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Regulatory Agreement or any supplement or exhibit hereto.

Section 2. Representations, Covenants and Warranties of the Owner. The Owner hereby represents, as of the date hereof, and covenants, warrants and agrees as follows:

(a) The Owner has incurred a substantial binding obligation to commence the acquisition, rehabilitation and equipping of the Project, pursuant to which the Owner is obligated to expend at least 5% of the net sale proceeds of the Bonds.

(b) The Owner's reasonable expectations respecting the total Project Costs and the disbursement of Bond proceeds are accurately set forth in the Borrower's Use of Proceeds Certificate attached to the Tax Certificate which has been delivered to the Issuer.

(c) The Owner will proceed with due diligence to complete the acquisition, rehabilitation and equipping of the Project and expects to expend at least 95% of the proceeds of the Loan for Qualified Project Costs prior to the third anniversary of the Closing Date.

(d) The Owner hereby incorporates herein, as if set forth in full herein, each of the representations, covenants and warranties of the Owner contained in the Tax Certificate and the Loan Agreement relating to the Project.

(e) The Owner hereby represents and warrants that the Project is located entirely within the City.

(f) On the Completion Date, the Owner will submit to the Issuer and the Administrator, a duly executed and completed Completion Certificate.

(g) Money on deposit in any fund or account in connection with the Bonds, whether or not such money was derived from other sources, shall not be used by or under the direction of the Owner, in a manner which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and the Owner specifically agrees that the investment of money in any such fund shall be restricted as may be necessary to prevent the Bonds from being "arbitrage bonds" under the Code.

(h) The Owner (and any person related to it within the meaning of Section 147(a)(2) of the Code) will not take or omit to take, as is applicable, any action if such action or omission would in any way cause the proceeds from the sale of the Bonds to be applied in a manner contrary to the requirements of the Indenture, the Loan Agreement, the Tax Certificate or this Regulatory Agreement.

(i) The Owner acknowledges, represents and warrants that it understands the nature and structure of the transactions contemplated by this Regulatory Agreement; that it is familiar with the provisions of all of the documents and instruments relating to the Bonds to which it is a party or of which it is a beneficiary; that it understands the financial and legal risks inherent in such transactions; and that it has not relied on the Issuer for any guidance or expertise in analyzing the financial or other consequences of such financing transactions or otherwise relied on the Issuer in any manner except to issue the Bonds in order to provide funds to assist the Owner in acquiring and rehabilitating the Project.

Section 3. Qualified Residential Rental Project. The Owner hereby acknowledges and agrees that the Project is to be owned, managed and operated in the same manner as a "qualified residential rental project" (within the meaning of Section 142(d) of the Code) for a term equal to the Qualified Project Period. To that end, and for the term of this Regulatory Agreement, the Owner hereby represents, covenants, warrants and agrees as follows:

(a) The Project will be acquired, rehabilitated and operated for the purpose of providing multifamily residential rental property. The Owner will own, manage and operate the Project as a project to provide multifamily residential rental property comprised of a building or structure or several interrelated buildings or structures, together with any functionally related and subordinate facilities, and no other facilities, in accordance with Section 142(d) of the Code, Section 1.103-8(b) of the Regulations and the provisions of the Act, and in accordance with such requirements as may be imposed thereby on the Project from time to time. For purposes of this Subsection 3(a), the term

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"functionally related and subordinate facilities" includes facilities for use by the tenants, for example, swimming pools, other recreational facilities, parking areas, and other facilities which are reasonably required for the Project, for example, heating and cooling equipment, trash disposal equipment and units for resident managers and maintenance personnel. Substantially all of the Project will contain such units and functionally related and subordinate facilities.

(b) All of the dwelling units in the Project will be similarly constructed units, and, following the Completion Date, each dwelling unit in the Project will contain complete separate and distinct facilities for living, sleeping, eating, cooking and sanitation for a single person or a family, including a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink.

(c) Following the Completion Date, none of the dwelling units in the Project will at any time be utilized on a transient basis or rented for a period of less than 30 consecutive days, or will be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home or trailer court or park; *provided, however*, that the Project may comprise the dwelling units, and facilities functionally related and subordinate to the dwelling units, which constitute a portion of a congregate care or assisted living facility.

(d) No part of the Project will at any time during the Qualified Project Period be owned by a cooperative housing corporation, nor shall the Owner take any steps in connection with a conversion to such ownership or use, and the Owner will not take any steps in connection with a conversion of the Project to condominium ownership during the Qualified Project Period (except that the Owner may obtain final map approval and the Final Subdivision Public Report from the California Department of Real Estate and may file a condominium plan with The City of Los Angeles).

(e) All of the dwelling units in the Project (except for not more than four (4) units set aside for resident manager or other administrative use) will be available for rental during the Qualified Project Period on a continuous basis to members of the general public, on a first-come, first-served basis, and the Owner will not give preference to any particular class or group (other than to persons of 62 years of age or older) in renting the dwelling units in the Project, except to the extent that dwelling units are required to be leased or rented to Low Income Tenants or Very Low Income Tenants.

(f) The Project consists of a parcel or parcels that are contiguous except for the interposition of a road, street or stream, and all of the facilities of the Project comprise a single geographically and functionally integrated project for residential rental property, as evidenced by the ownership, management, accounting and operation of the Project.

(g) No dwelling unit in the Project shall be occupied by the Owner; *provided, however*, this provision shall not be construed to prohibit occupancy of not more than four dwelling units by four or more resident managers or maintenance personnel any of whom may be the Owner. For purposes of Sections 3 and 4 hereof, no unit occupied by a residential manager shall be treated as a rental unit during the time of such occupation.

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(h) Should involuntary noncompliance with the provisions of Section 1.103-8(b) of the Regulations be caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in a federal law or an action of a federal agency after the Closing Date which prevents the Issuer from enforcing the requirements of the Treasury Regulations, or condemnation or similar event, the Owner covenants that, within a "reasonable period" determined in accordance with the Regulations, and subject to the provisions of the Indenture and the Loan Agreement, it will either prepay the Loan or apply any proceeds received as a result of any of the preceding events to reconstruct the Project to meet the requirements of Section 142(d) of the Code and the Regulations.

(i) The Owner shall not discriminate on the basis of race, religion, creed, color, ethnic group identification, sex, source of income (e.g., AFDC, SSI), mental or physical disability, age, national origin or marital status in the rental, lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project.

Section 4. Low Income Tenants; Reporting Requirements. Pursuant to the requirements of the Code, the Owner hereby represents, warrants and covenants as follows:

(a) During the Qualified Project Period, no less than 40% of the total number of completed units of the Project shall at all times be rented to and occupied by Low Income Tenants. For the purposes of this Subsection 4(a), a vacant unit which was most recently occupied by a Low Income Tenant is treated as rented and occupied by a Low Income Tenant until reoccupied, other than for a temporary period of not more than 31 days, at which time the character of such unit shall be redetermined.

(b) No tenant qualifying as a Low Income Tenant upon initial occupancy shall be denied continued occupancy of a unit in the Project because, after admission, such tenant's Adjusted Income increases to exceed the qualifying limit for Low Income Tenants. However, should a Low Income Tenant's Adjusted Income, as of the most recent determination thereof, exceed one hundred forty percent (140%) of the applicable income limit for a Low Income Tenant of the same family size, the next Available Unit of comparable or smaller size must be rented to (or held vacant and available for immediate occupancy by) a Low Income Tenant. Until such next Available Unit is rented, the former Low Income Tenant who has ceased to qualify as such shall be deemed to continue to be a Low Income Tenant for purposes of the 40% requirement of Section 4(a) hereof.

(c) For the Qualified Project Period, the Owner will obtain, complete and maintain on file Income Certifications for each Low Income Tenant, including (i) an Income Certification dated immediately prior to the initial occupancy of such Low Income Tenant in the Project, and (ii) thereafter, an annual Income Certification with respect to each Low Income Tenant, within thirty days before or after the anniversary of such tenant's initial occupancy of a unit in the Project. In addition, the Owner will obtain an Income Certificate for each Tenant prior to June 30, 2009. The Owner will provide such additional information as may be required in the future by the State of California, by the Issuer and by the Code, as the same may be amended from time to time, or in such

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other form and manner as may be required by applicable rules, rulings, policies, procedures, Regulations or other official statements now or hereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service with respect to Tax-Exempt obligations. A copy of the most recent Income Certifications for Low Income Tenants commencing or continuing occupation of a Low Income Unit shall be attached to each report to be filed with the Issuer pursuant to Subsection 4(e) hereof. The Owner shall make a good faith effort to verify that the income information provided by an applicant in a Verification of Income is accurate by taking one or more of the following steps as a part of the verification process: (1) obtain a pay stub for the most recent pay period, (2) obtain an income tax return for the most recent tax year, (3) obtain a credit report or conduct a similar type credit search, (4) obtain an income verification from the applicant's current employer, (5) obtain an income verification from the Social Security Administration and/or the California Department of Social Services if the applicant receives assistance from either of such agencies, or (6) if the applicant is unemployed and does not have an income tax return, obtain another form of independent verification reasonably acceptable to the Issuer.

(d) The Owner will maintain complete and accurate records pertaining to the Low Income Units in accordance with its usual and customary business practice, will obtain and maintain on file from each Low Income Tenant residing in the Project a copy of such Tenant's federal income tax return for the taxable year immediately preceding such Tenant's initial occupancy (or, if later, the commencement of the Qualified Project Period) in the Project and each year thereafter or other satisfactory evidence of income for such year and will permit any duly authorized representative of the Issuer, the Administrator, the Trustee, CDLAC, the Department of the Treasury or the Internal Revenue Service to inspect the books and records of the Owner pertaining to the Project, including those records pertaining to the occupancy of the Low Income Units.

(e) The Owner will prepare and submit to the Issuer, the Administrator and the Trustee, no later than the fifteenth day of each calendar quarter, until the end of the Qualified Project Period, a Certificate of Continuing Program Compliance executed by the Owner stating (i) the percentage of the dwelling units of the Project that were occupied or deemed occupied pursuant to Subsection 4(a) hereof, by Low Income Tenants during the preceding calendar month; and (ii) that either (A) no unremedied default on the part of the Owner has occurred under this Regulatory Agreement, the Loan Agreement or the Deed of Trust, or (B) a default has occurred, in which event the certificate shall describe the nature of the default in detail and set forth the measures being taken by the Owner to remedy such default.

(f) The Owner shall submit to the Secretary of the Treasury annually on the anniversary date of the start of the Qualified Project Period, or such other date as is required by the Secretary of the Treasury, a certification that the Project continues to meet the requirements of Section 142(d) of the Code, and shall provide a copy of such certification to the Administrator and to the Bondholder Representative. Failure to comply with the provisions of this paragraph will subject the Owner to penalty, as provided in Section 6652(j) of the Code.

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(g) For the Qualified Project Period, all tenant leases or rental agreements shall be subordinate to this Regulatory Agreement and the Deed of Trust. All leases pertaining to Low Income Units shall contain clauses, among others, wherein each tenant who occupies a Low Income Unit: (i) certifies the accuracy of the statements made in the Verification of Income; (ii) agrees that the family income and other eligibility requirements shall be deemed substantial and material obligations of the tenancy of such tenant, that such tenant will comply promptly with all requests for information with respect thereto from the Owner, the Trustee or the Administrator on behalf of the Issuer or the Bondholder Representative, and that the failure to provide accurate information in the Verification of Income or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of the tenancy of such tenant; (iii) acknowledges that the Owner has relied on the Verification of Income and supporting information supplied by the Low Income Tenant in determining qualification for occupancy of the Low Income Unit, and that any material misstatement in such certification (whether or not intentional) will be cause for immediate termination of such lease or rental agreement; and (iv) agrees that the tenant's income is subject to annual certification in accordance with Section 4(c) hereof and that if upon any such certification such tenant's Adjusted Income exceeds the applicable income limit under Section 4(b), such tenant may cease to qualify as a Low Income Tenant, and such tenant's rent is subject to increase.

Section 5. Additional Issuer Requirements. In addition to the requirements set forth above, the Owner hereby agrees that at all times during the Qualified Project Period it shall comply with each of the requirements of Section 33760 of the Act set forth in this Section 5, as follows:

(a) Not less than 90% of the total number of units in the Project (including units set aside for restricted occupancy pursuant to Section 4 hereof) shall be available for occupancy on a priority basis to Low Income Tenants and not less than 10% of the total number of units in the Project (including units set aside for restricted occupancy pursuant to Section 4 hereof) shall be available for occupancy on a priority basis to Very Low Income Tenants. The units of the Project shall also be restricted such that not less than 70% of the total number of units in the Project (including units set aside for restricted occupancy pursuant to Section 4 hereof) shall be available for occupancy on a priority basis to Low Income Tenants and not less than 30% of the total number of units in the Project (including units set aside for restricted occupancy pursuant to Section 4 hereof) shall be available for occupancy on a priority basis to Very Low Income Tenants.

(b) The rental payments for the Very Low Income Units paid by the tenants thereof (excluding any supplemental rental assistance from the State, the federal government or any other public agency to those tenants or on behalf of those units) shall not exceed 30% of an amount equal to 50% of the median adjusted gross income for the Area, subject to adjustment for household size as permitted by the Act, the Code or the Regulations.

(c) The rental payments for the Low Income Units paid by the tenants thereof (excluding any supplemental rental assistance from the State, the federal government or

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any other public agency to those tenants or on behalf of those units) shall not exceed 30% of an amount equal to 60% of the median adjusted gross income for the Area, subject to adjustment for household size as permitted by the Act, the Code or the Regulations.

(d) The Owner shall accept as tenants, on the same basis as all other prospective tenants, low-income persons who are recipients of federal certificates or vouchers for rent subsidies pursuant to the existing program under Section 8 of the Housing Act. The Owner shall not permit any selection criteria to be applied to Section 8 certificate or voucher holders that are more burdensome than the criteria applied to all other prospective tenants.

(e) The units reserved for occupancy as required by Subsection 5(a) shall remain available on a priority basis for occupancy at all times during the Qualified Project Period.

(f) During the three (3) years prior to the expiration of the Qualified Project Period, the Owner shall continue to make available to eligible households reserved units that have been vacated to the same extent that nonreserved units are made available to noneligible households.

(g) Following the expiration or termination of the Qualified Project Period, except in the event of eminent domain, or action of a federal agency preventing enforcement, units reserved for occupancy as required by Subsection 5(a) and 5(b) shall remain available to any eligible tenant occupying a reserved unit at the date of such expiration or termination, at the rent determined by Subsection 5(b), until the earliest of the date on which (1) the household's income exceeds 140% of the maximum eligible income specified above, (2) the tenant voluntarily moves or is evicted for good cause, as defined in the Act, (3) 55 years after the date of the commencement of the Qualified Project Period, or (4) the Owner pays the relocation assistance and benefits to households as provided in Section 7264(b) of the California Government Code.

(h) The Owner shall provide the notices specified in the Section 65863.10 of the Government Code of the State of California at the times required thereby.

(i) The Owner shall comply with the nondiscrimination requirements of Section 33769 of the Health and Safety Code of the State of California.

(j) The Project shall be subject to Section 7262.5 of the California Government Code as the same applies to tenants who are displaced due to rehabilitation of the Project.

(k) The covenants and conditions of this Regulatory Agreement shall be binding upon successors in interest of the Owner.

(l) This Regulatory Agreement shall be recorded in the office of the County Recorder of Los Angeles County, California and shall be recorded in the grantor-grantee index to the names of the Owner as grantor and to the name of the Issuer as grantee.

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Section 6. Additional Requirements. In addition to the requirements set forth above and to the extent not prohibited thereby, the Owner hereby agrees during the Qualified Project Period to comply with each of the requirements of the Issuer set forth in this Section 6, as follows:

(a) The Owner will pay to the Issuer all of the amounts required to be paid under the Loan Agreement, and will indemnify the Issuer and the Trustee as provided in the Loan Agreement.

(b) All tenant lists, applications and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of the Owner and shall be maintained as required by the Issuer in a reasonable condition for proper audit and subject to examination during business hours by representatives of the Issuer upon reasonable prior notice.

(c) The Owner will comply with the terms of the HAP Agreement and will use its best efforts to obtain a renewal of the HAP Agreement to the extent such renewal will be in the best interests of the Project.

(d) The Owner acknowledges that the Issuer may appoint an Administrator other than the Issuer to administer this Regulatory Agreement and to monitor performance by the Owner of the terms, provisions and requirements hereof. In such event, the Owner shall comply with any reasonable request by the Issuer to deliver to any such Administrator, in addition to or instead of the Issuer, any reports, notices or other documents required to be delivered pursuant hereto, and to make the Project and the books and records with respect thereto available for inspection by the Administrator as an agent of the Issuer.

(e) For purposes of Section 5(b), the base rents shall be adjusted for household size, to the extent permitted by law, and in making such adjustments it shall be assumed that one person will occupy a studio unit, two persons will occupy a one-bedroom unit, three persons will occupy a two-bedroom unit, four persons will occupy a three-bedroom unit, and five persons will occupy a four-bedroom unit.

(f) The Owner shall comply with the conditions set forth in EXHIBIT A to CDLAC Resolution No. 08-96, adopted on May 28 2008 (the "CDLAC Resolution"), as they may be further modified or amended from time to time, which conditions are incorporated herein by reference and made a part hereof. Without limiting the generality of the foregoing, and except as provided in Section 14 hereof, as provided in the CDLAC Resolution, the term of the income and rental restrictions for the Project will be at least 55 years. The Owner will prepare and submit to CDLAC, not later than each anniversary of the Closing Date, until the end of the Qualified Project Period, a Certificate of Continuing Program Compliance, in substantially the form attached to the CDLAC Resolution, executed by an authorized representative of the Owner. The Issuer, the Trustee and the Administrator shall have no obligation to monitor the Owner's compliance with the CDLAC Resolution.

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(g) *Non-Discrimination During Construction; Equal Opportunity.* The Owner (for purposes of this subsection, the term Owner includes Owner's contractors) for itself, its successors and assigns, and transferees agrees that in the construction of the Project:

(i) The Owner will not discriminate against any employee or applicant for employment because of race, color, religion, creed, national origin, ancestry, disability (actual or perceived), medical condition, age, source of income, marital status, familial status, sex, sexual orientation, Acquired Immune Deficiency Syndrome (AIDS) acquired or perceived, or retaliation for having filed a discrimination complaint "nondiscrimination factors." The Owner will take affirmative steps to ensure that applicants are employed by the Owner, and that its employees are treated without regard to the nondiscrimination factors during employment including, but not limited to, activities of: upgrading, demotion or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Owner agrees to post in conspicuous places, available to its employees and applicants for employment, the applicable nondiscrimination clause set forth herein;

(ii) The Owner will ensure that its solicitations or advertisements for employment are in compliance with the aforementioned nondiscrimination factors; and

(iii) The Owner will cause the foregoing provisions to be inserted in all contracts for the construction of the Project entered into by the Owner after the date of this Regulatory Agreement and shall ensure that its general contractor(s) shall insert the foregoing provisions in the general contractor's subcontracts; provided, however, that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

(h) *Prevailing Wages.*

(i) The Owner shall pay or cause to be paid to all workers employed in connection with the Improvements, not less than the prevailing rates of wages, as provided in the statutes applicable to Issuer public works contracts, including without limitation Sections 33423-33426 of the California Health and Safety Code and Sections 1770-1780 of the California Labor Code, in accordance with the Issuer's "Policy on Payment of Prevailing Wages By Private Redevelopers or Owner-Participants" dated February 1986, attached hereto as EXHIBIT F and incorporated herein by this reference. In addition to any restitution required by the Issuer's Policy and/or applicable law, any Owner determined by the Issuer to have violated any provision of the Issuer's Policy, shall forthwith pay the following as a penalty to the Issuer or the State of California, if directed:

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(A) Payment of less than prevailing wages: Fifty Dollars (\$50) ~~per calendar day, or portion thereof, for each worker paid less than prevailing wages;~~

(B) Failure to provide all reasonably requested records and/or provide access to job site or workers: Five Thousand Dollars (\$5,000) per day, or portion thereof.

(ii) If the Improvements are financed in whole or in part with assistance provided under a program of the U.S. Department of Housing and Urban Development or some other source of federal funding, the Owner shall comply with or cause its general contractor and all subcontractors to comply with the requirements of the Davis-Bacon Act (40 U.S.C. 276 et. seq.). The Davis-Bacon Act requires the payment of wages to all laborers and mechanics at a rate not less than the minimum wage specified by the Secretary of Labor in periodic wage rate determinations as described in the Federal Labor Standards Provisions (HUD-4010). In the event both State Prevailing wages and Davis-Bacon Act wages will be required, all works shall be paid at the higher of the two wage rates.

(iii) Prior to the commencement of construction, the Owner shall contact the Issuer to schedule a preconstruction orientation meeting with the Owner and with the general contractor to explain such matters as the specific rates of wages to be paid to workers in connection with the Improvements, preconstruction conference requirements, record keeping and reporting requirements necessary for the evaluation of the Owner's compliance with this Section.

(iv) Owner shall monitor and enforce the foregoing prevailing wage requirements imposed on its contractors and subcontractors, including withholding payments to those contractors or subcontractors who violate these requirements. In the event that Owner fails to monitor or enforce these requirements against any contractor or subcontractor, Owner shall be liable for the full amount of any underpayment of wages, plus costs and attorneys' fees, as if Owner were the actual employer, and the Issuer or the State Department of Industrial Relations may withhold monies owed to the Owner, may impose penalties on Owner in the amounts specified herein, may take action directly against the contractor or subcontractor as permitted by law, and/or may declare the Owner in default of this Regulatory Agreement (subject to the notice and cure rights provided in this Regulatory Agreement) and thereafter pursue any of the remedies available under this Regulatory Agreement.

(v) Any contractor or subcontractor who is at the time of bidding debarred by the Labor Commissioner pursuant to Section 1777.1 of the California Labor Code is ineligible to bid on the construction of the Project or to receive any contract or subcontract for work being financed with the proceeds of the Bonds.

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The Owner agrees to include, or cause to be included, this provision in all bid specifications for the Improvements.

Any contractor or subcontractor who, at the time of the date of this Regulatory Agreement, is listed in the Lists of Parties Excluded From Federal Procurement or Nonprocurement Programs issued by the U.S. General Services Administration pursuant to Section 3(a) of the Davis-Bacon Act is ineligible to receive a contract for work covered under this Regulatory Agreement, if the covered work is Federally funded in whole or in part.

Any contractor or subcontractor that is at the time of bidding debarred or declared non-responsible under the Issuer's Contractor Responsibility Policy or the City's Contractor Responsibility Ordinance is ineligible to bid on the construction of the Improvements or to receive any contract or subcontract for work covered under this Regulatory Agreement. Owner agrees to include, or cause to be included, this Section 6(h) in all bid specifications for work covered under this Regulatory Agreement.

(vi) Owner agrees to include, or cause to be included, the above provisions in all bid specifications for all contracts with respect to the Improvements.

(vii) Owner shall indemnify, hold harmless and defend (with counsel reasonably acceptable to the Issuer) the Issuer and the City against any claim for damages, compensation, fines, penalties or other amounts arising out of the failure or alleged failure of any person or entity (including Owner, its contractor and subcontractors) to pay prevailing wages as determined pursuant to California Labor Code Sections 1720 et seq. and implementing regulation or comply with the other applicable provisions of Labor Code Sections 1720 et seq. and implementing regulations of the Department of Industrial Relations in connection with construction of the Improvements or any other work undertaken or in connection with the Project.

(i) *No discrimination.*

(i) Owner covenants and agrees for itself, its successors and its assigns in interest to the Project or any part thereof, that there shall be no discrimination against or segregation of any person or persons on any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code. All deeds, leases, or contracts for the sale, lease, sublease, or other transfer of the Project shall contain or be subject to the nondiscrimination or nonsegregation clauses hereafter prescribed.

(ii) Notwithstanding subparagraph (i) above, with respect to familial status, subparagraph (i) above shall not be construed to apply to housing for older

persons, as defined in Section 12955.9 of the Government Code. With respect to ~~familial status, nothing in subdivision (a) shall be construed to affect Sections~~ 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to subparagraph (i) above.

(j) *Required Nondiscrimination Clauses.* Owner shall refrain from restricting the rental, sale or lease of the Project as provided in Section 6(i), above. All deeds, leases or contracts for the sale, lease, sublease, or other transfer of the Project entered into after the date on which this Agreement is executed by Issuer shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(i) In deeds the following language shall appear:

"The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

(ii) Notwithstanding Section 6(j)(i), above, with respect to familial status, Section 6(j)(i) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in Section 6(j)(i) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to Section 6(j)(i).

(iii) In leases the following language shall appear--"The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring,

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use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

(iv) Notwithstanding Section 6(j)(iii), above, with respect to familial status, Section 6(j)(iii) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in Section 6(j)(iii) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to Section 6(j)(iii).

(v) In contracts entered into by Issuer relating to the sale, transfer, or leasing of land or any interest therein acquired by Issuer within any survey area or redevelopment project, the foregoing provisions in substantially the forms set forth shall be included and the contracts shall further provide that the foregoing provisions shall be binding upon and shall obligate the contracting party or parties and any subcontracting party or parties, or other transferees under the instrument.

(k) *Relocation.* If the Owner's acquisition, rehabilitation and improvement of the Project results in the permanent or temporary displacement of residential tenants, homeowners, or businesses, the Owner shall comply with all applicable local, state and federal statutes and regulations with respect to relocation planning, advisory assistance, and payment of monetary benefits. The Owner shall be solely responsible for payment of any relocation benefits to any displaced persons and any other obligations associated with complying with said relocation laws. The Owner hereby agrees to indemnify the Issuer and the City of Los Angeles from and against, any and all claims and liabilities for relocation benefits in connection with development of the Project.

(l) *Business Tax Registration Certificate.* Solely to the extent applicable to it, and subject to any exemptions available to it, the Owner represents that it has obtained and presently holds such Business Tax Registration Certificate(s) as are required by the City's Business Tax Ordinance (Article 1, Chapter 2, Section 21.00 and following, of the Los Angeles Municipal Code). Solely to the extent applicable to it and subject to any exemptions available to it, for the term covered by this Regulatory Agreement, the Owner shall maintain, or obtain as necessary, all such Business Tax Registration Certificates required of it under said Ordinance and shall not allow any such Business Tax Registration Certificate to be revoked or suspended.

(m) *Child Support Assignment Orders.* The Owner hereby agrees to comply with all applicable State and federal employment reporting requirements relative to its employees. The Owner hereby certifies that, to the best of its knowledge, it is fully complying with the Earnings Assignment Orders of all employees and that it will comply with and implement all lawfully served Wage and Earnings Assignment Orders and

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Notices of Assignment. The parties hereto agree and acknowledge that this provision is intended to comply with the provisions of Section 10.10(b) of the Los Angeles Administrative Code, and the parties hereto agree to provide such certification in form and substance attached as EXHIBIT G hereto.

(n) *Americans with Disabilities Act.* The Owner shall be in full compliance with all federal and state laws applicable to the Project, including those of the Americans with Disabilities Act ("ADA"), 42 U.S.C. 12101 et seq., and its implementing regulations. Under the ADA, the Owner shall provide for reasonable accommodations to allow qualified individuals access to and participation in their programs, services and activities. In addition, the Owner shall not discriminate against individuals with disabilities nor against persons due to their relationship or association with a person with a disability. Firms granted sub awards (i.e. subcontractors, sub grants, contracts under loans, etc.) shall comply with the ADA and certify and disclose accordingly. The Owner shall provide certificates attesting to compliance with the provisions of this subsection in form and substance attached as EXHIBIT H hereto.

(o) Any of the foregoing requirements of the Issuer (except (f) above which may be expressly waived by CDLAC in its sole discretion) may be expressly waived by the Issuer, in its sole discretion, in writing, but (i) no waiver by the Issuer of any requirement of this Section 6 shall, or shall be deemed to, extend to or affect any other provision of this Regulatory Agreement except to the extent the Issuer has received an opinion of Bond Counsel that any such provision is not required by the Act and may be waived without adversely affecting the exclusion from gross income of interest on the Bonds for federal income tax purposes; and (ii) any requirement of this Section 6 shall be void and of no force and effect if the Issuer and the Owner receive a written opinion of Bond Counsel to the effect that compliance with any such requirement would cause interest on the Bonds to cease to be Tax-Exempt or to the effect that compliance with such requirement would be in conflict with the Act or any other state or federal law.

(p) Residential tenants who are not required to move permanently, but are required to relocate temporarily, due to rehabilitation of the Project shall be provided (i) reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporarily occupied housing and any increase in monthly rent or utility costs such housing, and (ii) appropriate advisory services, including reasonable advance written notice of (A) the date and approximate duration of the temporary relocation, (B) the address of suitable, decent, safe and sanitary dwelling to be made available for the temporary period, (C) the terms and conditions under which the tenant may lease and occupy a suitable, decent, safe and sanitary dwelling in the Project upon completion of the rehabilitation, and (D) the provision of the reimbursement described in subsection (i) of this paragraph.

Section 7. Further Issuer Requirements. All parties to this agreement hereby agree and acknowledge that this Section 7 shall, at all times and in all respects, is hereby wholly subordinate and inferior in claim and right to the Deed of Trust, and any and all renewals, modifications, extensions, or advances thereunder or secured thereby (including interest thereon). In the event of a foreclosure or a transfer of title by deed in lieu of foreclosure under

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the Deed of Trust, this Section 7 shall be terminated automatically and of no further force or effect. The Parties acknowledge that the Project currently benefits from a project based Section 8 rental housing assistance contract with HUD (the "HAP Contract") and that HUD is currently monitoring the affordability, ownership, management and operation of the Project. Subject to Section 14 hereof, in the event that (1) the HAP Contract is terminated or if the federal government fails to authorize funding for the HAP Contract or (2) HUD discontinues its monitoring of the Project and to the extent the provisions of this Section 7 do not conflict with the requirements for maintaining Tax-Exempt Status of the Bonds and Sections 3, 4, 5 or 6 (above), Owner shall comply with the further requirements set forth in this Section 7:

(a) *Definitions.* The following terms have the meaning and content set forth in this section wherever used in this Section 7 (only):

"Affordable Rent" shall have the appropriate meaning set forth in California Health and Safety Code Section 50053(b) as it may be amended from time to time, which, as of the date hereof, means monthly rent, including a reasonable utility allowance, that does not exceed the following amount for a Moderate Income household, one-twelfth of the product of thirty percent (30%) times one hundred ten percent (110%) of the area median income adjusted for family size appropriate for the unit as determined by HCD.

"Affordable Unit" shall mean any of the dwelling units in the Improvements on the Project required by this Agreement to be rented exclusively to and occupied by persons and families of Low and Moderate Income.

"Area Median Income" shall have the meaning set forth in California Health and Safety Code Section 50093, as amended from time-to-time.

"City" shall mean the City of Los Angeles, California, a municipal corporation, operating through its governing body, the City Council, and its various departments.

"CRA/LA" shall mean The Community Redevelopment CRA/LA of the City of Los Angeles, California, a public body corporate and politic, organized and existing pursuant to the California Community Redevelopment Law (Health and Safety Code Sections 33000 et seq.).

"HCD" shall mean the California Department of Housing and Community Development.

"Improvements" shall mean and include all buildings, structures, fixtures, excavation, parking, landscaping, and other improvements of whatsoever character, located on, around, under or over the Project.

"Low or Moderate Income" shall have the meaning set forth in California Health and Safety Code Section 50093, as it may be amended from time-to-time.

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"Low Income" shall have the same meaning as the term "Lower Income" set forth in California Health and Safety Code Section 50079, as it may be amended from time-to-time.

"Low Income Housing Tax Credit" shall mean the tax credit authorized by the Tax Reform Act of 1986 and governed by Section 42 of the Internal Revenue Code.

"Moderate Income" shall have the meaning set forth in California Health and Safety Code Section 50093, as it may be amended from time-to-time.

"Ownership or Control" shall mean, without limitation, any voting rights and any beneficial ownership with respect to all classes of stock, interests in partnerships and/or limited liability companies, and/or beneficial interests under a trust, as may be applicable to the type of entity in question. In the case of a trust, such term shall also include the rights of the trustee as well as the beneficiary.

"Tax Credit Equity Investor" shall mean any Person who will be an investor member in Owner's limited liability company or partnership and who will purchase the Low Income Housing Tax Credit and own a 99.99% interest in Owner.

(b) *Agreement Regarding Use of Project.* Owner, on behalf of itself and its successors, assigns, and each successor in interest to Owner's interest in the Project or any part thereof, hereby covenants and agrees to use the Project only for the uses permitted in this Regulatory Agreement, specifically including the following:

(i) Rehabilitation and Use. The Project shall be rehabilitated and used for multi-family residential rental uses, consisting of 761 dwelling units, which shall include 761 one-bedroom units (the "Units"), with landscaping and related amenities, and a parking structure providing parking stalls for 170 vehicles, all as described in the Scope of Rehabilitation attached to the Thirteenth Implementation Agreement. With the exception of 4 manager's Units, all of the Units (the "Affordable Units") shall be rented at an Affordable Rent to persons of Moderate Income (as those terms are defined below), in accordance with this Agreement. All Affordable Units shall be leased, occupied and not withdrawn from the market. Owner shall not convert the Affordable Units to condominium or cooperative ownership or sell condominium or cooperative conversion rights to the Affordable Units during the term of this Agreement.

(ii) Income Restrictions. All of the Affordable Units shall be rented to and occupied exclusively by persons of Moderate Income. The maximum incomes of residential tenants eligible to rent the Affordable Units shall be determined on the basis of the area median income for Los Angeles, determined annually by the U.S. Department of Housing and Urban Development and published by the California Department of Housing and Community Development ("HCD").

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(iii) Rent Restrictions. Owner shall not charge rents in excess of the amounts set forth in EXHIBIT I, adjusted by the percent change in the area median income figure for Los Angeles County, as determined by HCD. Owner may increase rents for the Affordable Units not more than annually, subject to any applicable rent control ordinance then in effect, but in no event shall Owner charge rents in excess of the following:

(A) Rent, including a reasonable utility allowance, for Moderate Income tenants whose incomes exceed 80% but do not exceed 120% of the Area Median Income, shall not exceed one-twelfth (1/12) times the product of 30% times 110% of the area median income, adjusted for family size appropriate for the Unit, as determined by HCD.

(iv) Most Restrictive Affordability Provisions Shall Prevail. The Parties acknowledge and agree that the Project is being financed through the Bonds and Low Income Housing Tax Credits and the Owner covenants and agrees that, notwithstanding the preceding paragraphs, the owner shall operate and lease the Affordable Units in the project to tenants meeting the most restrictive of the affordability levels set forth in Sections 4, 5, 6 and 7 of this Regulatory Agreement at the most restrictive rent levels set forth in such sections.

(c) Leasing Priorities. Owner agrees that among Low and Moderate Income households who are otherwise eligible to rent the Affordable Units to be rehabilitated pursuant to the Implementation Agreement, those persons who have been displaced by any redevelopment project within the City of Los Angeles shall be given first priority over other eligible persons. After displaces, the households in any one or more of the following categories shall be given priority in the selection for occupancy of the Affordable Units: (1) those paying more than 50% of their income for housing; (2) those living in overcrowded or seriously substandard conditions, especially housing which has been cited by the City for health and safety code violations; (3) those in danger of imminent displacement as a result of Issuer action in cases where the property owners agree not to re-rent the unit; and (4) homeless households. Thereafter, occupancy shall be provided as set forth in an affirmative marketing plan required for the Affordable Units. Owner agrees that prior to the initial rent-up of the Affordable Units, Owner shall consult with and obtain the approval of the CRA/LA in developing an affirmative marketing plan for renting the Affordable Units. Owner and CRA/LA shall cooperate to effectuate this subsection 7(c) prior to the initial renting, and upon occurrence of any vacancy and the re-renting of any Affordable Units, Owner shall hold Affordable Units vacant for the relocation of otherwise eligible persons entitled to preference pursuant to this subsection 7(c), upon CRA/LA's request, as long as CRA/LA pays Owner an amount equal to the lost rent less any savings realized by Owner during such holding period. Owner shall accept any CRA/LA displacee of other persons entitled to preference pursuant to this subsection who meets Owner's then current tenant selection criteria. If a person referred to Owner by CRA/LA is rejected for tenancy, Owner shall specify in writing to CRA/LA which of the selection criteria the tenant failed to meet. During the initial rent-up and from time to time thereafter, CRA/LA shall provide to Owner a list of such persons entitled to priority.

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(d) *Monitoring, Reporting and Enforcement.* Issuer and its successors and assigns ~~shall have the right to monitor and enforce the covenants contained in this~~ Regulatory Agreement. Owner covenants that it shall comply with any monitoring program set up by Issuer to enforce said covenants. In complying with such monitoring program, Owner or its agent shall prepare and submit to Issuer for each Affordable Unit, annually not later than thirty days after the end of each calendar year, an occupancy summary report in such form as may be required by Issuer, showing the present occupants, rent, unit type, household size, income at the time of initial occupancy, income certification information, move-in date and, if applicable, move-out date. To the extent not otherwise included in such occupancy summary report, Owner shall also submit the information required by California Health and Safety Code Section 33418, including an occupancy report, financial information and income verification documents for each tenant of an Affordable Unit, and all supporting documentation, on forms provided by Owner.

(e) *Prohibition against renting to persons with a relationship to Owner.* Except for resident managers occupying a manager's Unit, no person having any Ownership or Control of Owner or any of Owner's partners, and no officer, employee, agent, official or consultant of Owner or anyone having any Ownership or Control of Owner or any of Owner's partners, may occupy any of the Affordable Units.

(f) *Inspection and Records.* Owner shall maintain records which clearly document Owner's performance of its obligations pursuant to this Regulatory Agreement. Owner shall submit any records to Issuer within ten (10) business days of written request. Owner shall permit representatives of Issuer to enter and inspect the Project upon 24 hours' advance notice to Owner or the Management Agent, or such other notice as may be required by law. Owner's leases or rental agreements with tenants of the Affordable Units shall also provide for entry into the Affordable Units for periodic health and safety inspections.

(g) *Maintenance.* Owner, its successors and assigns, shall maintain the Improvements on the Project in decent, safe, sanitary and habitable condition, which shall be at least the same aesthetic and sound condition (or better) as the condition of the Project at the time Owner completes the rehabilitation pursuant to the Thirteenth Implementation Agreement, reasonable wear and tear excepted. This standard for the quality of maintenance of the Project shall be met whether or not a specific item of maintenance is listed below. However, representative items of maintenance shall include frequent and regular inspection for graffiti or damage or deterioration or failure, and immediate repainting or repair or replacement of all surfaces, fencing, walls, equipment, etc., as necessary; emptying of trash receptacles and removal of litter; sweeping of public sidewalks adjacent to the Project, on-site walks and paved areas and washing-down as necessary to maintain clean surfaces; maintenance of all landscaping in a healthy and attractive condition, including trimming, fertilizing and replacing vegetation as necessary; cleaning windows on a regular basis; painting the buildings on a regular program and prior to the deterioration of the painted surfaces; conducting a roof inspection on a regular basis and maintaining the roof in a leak-free and weather-tight condition; maintaining security devices in good working order. In addition, Owner shall

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not commit or permit waste on or to the Project, and shall prevent and/or rectify any physical deterioration of the Project; Owner shall provide adequate ongoing security equipment or services for tenants of the Affordable Units. Owner shall maintain the Project in conformance with all applicable federal, state and local laws, ordinances, codes and regulations, and the Management Plan required by this Agreement. In the event Owner, its successors or assigns fails to maintain the Improvements in accordance with the standard for the quality of maintenance, Issuer or its designee shall have the right but not the obligation to enter the Project upon reasonable notice to Owner, correct any violation, and hold Owner, or such successors or assigns responsible for the cost thereof, and such cost, until paid, shall constitute a lien on the Project. Notwithstanding the foregoing, (i) in the event that Issuer shall determine that specified items of repair or maintenance are required in respect of the Project pursuant to the this Agreement, Issuer, shall provide written notice of such determination to Bondholder Representative, and (ii) Bondholder Representative and Issuer shall cooperate, in good faith and with reasonable dispatch, to establish and implement a mutually acceptable procedure for addressing the specified items of repair or maintenance, it being understood and agreed, however, that (A) any right of the Issuer to enter onto the Project and to undertake or cause repairs or maintenance to be performed in respect of the Project shall, in each instance, be subject to the prior written consent of Bondholder Representative; and (B) the Bondholder Representative shall not withhold its consent with respect to repairs or maintenance which is requested of the Owner in order to bring the Project into conformance with applicable law following receipt of notice of noncompliance from any federal, state or local enforcement authority having jurisdiction.

(h) *Management.* Owner shall operate and maintain the Project in accordance with the Management Requirements set forth in EXHIBIT J, attached to this Regulatory Agreement and incorporated herein by reference, and provide for the operation of the Project in a manner satisfactory to the Issuer pursuant to the Management Plan (defined below). Not later than thirty (30) days prior to close of escrow for purchase of the Project and Improvements, Owner shall submit to the Issuer for approval or disapproval a plan for marketing and managing the Affordable Units (the "Management Plan"). Thereafter, Owner, its successors and assigns, shall manage the Affordable Units in accordance with the Management Plan approved by Issuer's Chief Executive Officer or designee. The Management Plan, including such amendments as may be approved in writing by the Issuer's Chief Executive Officer or designee, shall remain in effect for the term of this Agreement. The Management Plan shall contain the following components:

(i) *Management Agent.* Owner shall be responsible for the operation of the Improvements either by direct management or by contracting its managerial functions to a third party property manager or agent (the "Management Agent") which Management Agent will be charged with managing the Improvements on behalf of the Owner. The Issuer shall have the right, but not the obligation, to review and approve or disapprove the name and qualifications of the Management Agent. Such approval shall not be unreasonably withheld. Issuer shall have no responsibility for the management of the Project.

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(ii) *Affirmative Marketing Plan.* On a form provided by Issuer, Owner shall submit a plan for attracting to the Affordable Units tenants from those ethnic and racial groups least likely to reside in the Affordable Units in the absence of outreach efforts and providing a method to insure a fair method of selecting tenants. Owner shall be responsible for implementing the approved plan at initial marketing of the Affordable Units and upon any vacancy.

(iii) *Management Program.* On a form provided by Issuer, Owner or its Management Agent shall describe the proposed management, maintenance, tenant selection and occupancy policies and procedures for the Affordable Units. Such policies and procedures shall be consistent with this Agreement. The Owner shall not apply selection criteria which preclude tenants whose income is less than the maximum allowed income, and shall not discriminate in the rental of Affordable Units among Low and Moderate Income applicants for tenancy who otherwise qualify for occupancy, for the sole reason of the income of such applicant.

(iv) *Management Agreement.* Owner shall submit a copy of the proposed property management agreement specifying the amount of the management fee and the relationship and division of responsibilities between Owner and the Management Agent. Owner shall change management practices or replace its Management Agent if Issuer gives Owner notice that the Affordable Units are not being managed in accordance with this Agreement or if the Management Agent violates any federal, state or local health and safety laws and regulations which are not cured within thirty (30) days following the giving of notice of such violations by the Issuer or any other governmental entity; provided, however, that in the case of a violation that cannot be cured within such thirty (30) day period, that such cure shall be commenced within thirty (30) days of notification and shall be diligently prosecuted to completion. The property management agreement shall provide that it is subject to termination by Owner, without penalty, upon thirty (30) days prior written notice, at the direction of Issuer. Within ten (10) days following direction from Issuer to replace the Management Agent, Owner shall select another management agent or make other arrangement satisfactory to Issuer for continuing management of the Affordable Units. Notwithstanding any provision of this Agreement to the contrary, (i) any right of the Issuer to remove, or cause to be removed, the Owner's managing agent in respect of the Project, or to require changes to the management plan or management agreement in respect of the Project shall, in each instance, be subject to the prior written consent of Bondholder Representative, and (ii) in no event shall any managing agent in respect of the Project be terminated unless and until a replacement managing agent acceptable to Owner, Issuer and Bondholder Representative has been engaged by Owner (pursuant to a management agreement acceptable to Owner, Issuer and Bondholder Representative). Approval or consent under this subsection shall not be unreasonably withheld, conditioned or delayed.

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(v) *Tenant Lease or Rental Agreement.* Owner shall submit a copy of the proposed tenant lease or rental agreement to be used in renting the Affordable Units.

(vi) *Annual Budget.* Annually, not later than ninety (90) days prior to the beginning of each fiscal year, Owner shall submit a projected operating budget to Issuer. The budget shall be in a form that is acceptable to Issuer.

(vii) *Parking Management Plan.* Owner shall allocate residential parking spaces on the Project among the Affordable Units in accordance with a parking management plan to be included with the Management Plan. Tenants of the Affordable Units shall not be charged for parking space(s) in the Improvements.

(viii) *Tenant Selection.* Before leasing the Affordable Units, Owner shall provide to Issuer for its approval or disapproval Owner's written tenant selection plan, which, subject to the priorities set forth in Section 7(c) of this Agreement, shall provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as it is practicable. Any selection criteria shall be consistent with the purpose of providing housing for persons and families of low and moderate income and shall be reasonably related to program eligibility and the applicant's ability to perform the obligations of the lease. Owner shall give prompt written notification to any rejected applicant of the grounds for any rejection.

(ix) *Tenant Eligibility Review.* Not later than ten (10) business days prior to the tenant's expected date of occupancy of an Affordable Unit, Owner shall determine the income eligibility of each tenant household pursuant to Issuer's approved tenant certification procedures and submit satisfactory documentation to Issuer for review and approval prior to the household's occupancy of an Affordable Unit. Owner shall certify each tenant's household income on an annual basis.

(x) *Occupancy Standards.* Occupancy standards shall be applied in the leasing of the Affordable Units. These occupancy standards determine the minimum and maximum number of persons who may reside in an Affordable Unit. Deviations from these standards may be allowed only with the prior written approval of the Issuer Chief Executive Officer. The following standards shall apply to the Affordable Units:

<u>Unit Type</u>	<u>Minimum Number</u>	<u>Maximum Number</u>
One-bedroom	1	2

Section 8. Tax-Exempt Status of Bonds. The Owner and the Issuer, as applicable, each hereby represents, warrants and agrees as follows:

(a) The Issuer will not knowingly take, or knowingly permit to be taken on its behalf, ~~any action that would cause the interest payable on the Bonds to cease to be~~ excludable for federal income purposes under Section 103 of the Code from the gross incomes of the owners of the Bonds, and it will take such action as may be necessary in the written opinion of Bond Counsel to continue such exclusion from gross income.

(b) The Owner and the Issuer will file of record such documents and take such other steps as are necessary, in the written opinion of Bond Counsel filed with the Issuer and the Trustee, in order to insure that the requirements and restrictions of this Regulatory Agreement will be binding upon all owners of the Project, including, but not limited to, the execution and recordation of this Regulatory Agreement in the office of the County Recorder of Los Angeles County, California.

(c) The Owner and any related person (as defined in Section 147(a)(2) of the Code) thereto shall not acquire any Bonds in an amount related to the amount of the Loan.

Section 9. Modification of Covenants. The Owner, the Trustee and the Issuer hereby agree as follows:

(a) To the extent any amendments to the Act, the Regulations or the Code shall, in the written opinion of Bond Counsel filed with the Issuer, the Trustee, the Bondholder Representative and the Owner, retroactively impose requirements upon the ownership or operation of the Project more restrictive than those imposed by this Regulatory Agreement and compliance therewith is necessary to maintain the validity of, or Tax-Exempt status of the interest on, the Bonds, and if such requirements are applicable to the Project, this Regulatory Agreement shall be deemed to be automatically amended to impose such additional or more restrictive requirements.

(b) To the extent that the Act, the Regulations or the Code, or any amendments thereto, shall, in the written opinion of Bond Counsel filed with the Issuer, the Trustee, the Bondholder Representative and the Owner, impose requirements upon the ownership or operation of the Project less restrictive than imposed by this Regulatory Agreement, this Regulatory Agreement may be amended or modified to provide such less restrictive requirements but only by written amendment signed by the Issuer, at its sole discretion, the Trustee, the Bondholder Representative and the Owner, and only upon receipt by the Issuer of the written opinion of Bond Counsel to the effect that such amendment will not affect the Tax-Exempt status of interest on the Bonds or violate the requirements of the Act, and otherwise in accordance with Section 23 hereof.

(c) The Owner, the Issuer and, if applicable, the Trustee, shall execute, deliver and, if applicable, file of record any and all documents and instruments necessary to effectuate the intent of this Section 9, and each of the Owner and the Issuer hereby appoints the Trustee as its true and lawful attorney-in-fact to execute, deliver and, if applicable, file of record on behalf of the Owner or the Issuer, as is applicable, any such document or instrument (in such form as may be approved in writing by Bond Counsel) if either the Owner or the Issuer defaults in the performance of its obligations under this

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Subsection 9(c); *provided, however*, that unless directed in writing by the Issuer or the Owner, the Trustee shall take no action under this Subsection 9(c) without first notifying the Owner or the Issuer, or both of them, as is applicable, and without first providing the Owner or the Issuer, or both, as is applicable, an opportunity to comply with the requirements of this Section 9. Nothing in this Subsection 9(c) shall be construed to allow the Trustee to execute an amendment to this Regulatory Agreement on behalf of the Issuer or the Owner.

Section 10. Indemnification; Other Payments. The Owner hereby covenants and agrees that it shall indemnify and hold harmless the Issuer, the Administrator, the Bondholder Representative and the Trustee and their respective officers, directors, officials, employees and agents as set forth in the Loan Agreement (notwithstanding any future termination of the Loan Agreement). In addition thereto, the Owner will pay upon demand all of the fees and expenses paid or incurred by the Trustee and the Issuer in enforcing the provisions hereof, as more fully set forth in the Loan Agreement. The provisions of this Section 10 shall survive the term of the Bonds, the Loan Agreement and this Regulatory Agreement or, with respect to the Trustee, its resignation or removal.

Notwithstanding the foregoing, the provisions of this Section shall, in the case of the Trustee, survive the termination of this Regulatory Agreement or the replacement of the Trustee, but only as to claims arising from events occurring during the term of this Regulatory Agreement or the Trustee's tenure as Trustee under the Indenture, and shall, in the case of the Issuer, survive the term of this Regulatory Agreement, but only as to claims arising from events occurring during the term of this Regulatory Agreement.

Section 11. Consideration. The Issuer has agreed to issue the Bonds to provide funds to lend to the Owner to finance the acquisition, rehabilitation and equipping of the Project, all for the purpose, among others, of inducing the Owner to acquire, rehabilitate, equip and operate the Project. In consideration of the issuance of the Bonds by the Issuer, the Owner has entered into this Regulatory Agreement and has agreed to restrict the uses to which this Project can be put on the terms and conditions set forth herein.

Section 12. Reliance. The Issuer and the Owner hereby recognize and agree that the representations and covenants set forth herein may be relied upon by all persons interested in the legality and validity of the Bonds, in the Tax-Exempt status of the interest on the Bonds. In performing their duties and obligations hereunder, the Issuer and the Trustee may rely upon statements and certificates of the Low Income Tenants and Very Low Income Tenants, and upon audits of the books and records of the Owner pertaining to the Project. In addition, the Issuer and the Trustee may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Issuer or the Trustee hereunder in good faith and in conformity with such opinion. In determining whether any default or lack of compliance by the Owner exists under this Regulatory Agreement, the Trustee shall not be required to conduct any investigation into or review of the operations or records of the Owner and may rely solely on any written notice or certificate delivered to the Trustee by the Owner or the Issuer with respect to the occurrence or absence of a default unless it knows that the notice or certificate is erroneous or misleading.

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Section 13. Sale or Transfer of the Project. Subject to Section 14 hereof, for the Qualified Project Period, the Owner shall not, except as provided below, sell, transfer or otherwise dispose of the Project, in whole or in part, without the prior written consent of the Issuer, which consent shall not be unreasonably withheld or delayed if the following conditions are satisfied: (A) the receipt by the Issuer of evidence acceptable to the Issuer that (1) the Owner shall not be in default hereunder or under the Loan Agreement (which may be evidenced by a Certificate of Continuing Program Compliance) or the purchaser or assignee undertakes to cure any defaults of the Owner to the reasonable satisfaction of the Issuer; (2) the continued operation of the Project shall comply with the provisions of this Regulatory Agreement (3) either (a) the purchaser or assignee or its property manager has at least three years' experience in the ownership, operation and management of similar rental housing projects, and at least one year's experience in the ownership, operation and management of rental housing projects containing below-market-rate units, without any record of material violations of discrimination restrictions or other state or federal laws or regulations or local governmental requirements applicable to such projects, or (b) the purchaser or assignee agrees to retain a property management firm with the experience and record described in subclause (a) above, or (c) the transferring Owner or its management company will continue to manage the Project for at least one year following such transfer and during such period will provide training to the transferee and its manager in the responsibilities relating to the Low Income Units and the Very Low Income Units; and (4) the person or entity which is to acquire the Project does not have pending against it, and does not have a history of significant and material building code violations or complaints concerning the maintenance, upkeep, operation, and regulatory agreement compliance of any of its projects as identified by any local, state or federal regulatory agencies; (B) the execution by the purchaser or assignee of any document reasonably requested by the Issuer or the Trustee with respect to the assumption of the Owner's obligations under this Regulatory Agreement and the Loan Agreement, including without limitation an instrument of assumption hereof, and delivery to the Issuer of an opinion of such purchaser or assignee's counsel to the effect that each such document and this Regulatory Agreement are valid, binding and enforceable obligations of such purchaser or assignee, subject to bankruptcy and other standard limitations affecting creditor's rights; (C) receipt by the Issuer of an opinion of Bond Counsel addressed to the Issuer to the effect that any such sale, transfer or other disposition will not adversely affect the Tax-Exempt status of interest on the Bonds; and (D) receipt by the Issuer and Trustee of all fees and/or expenses then currently due and payable to the Issuer and Trustee; *provided that*, the foregoing notwithstanding, the Project may be transferred (i) pursuant to foreclosure, exercise of the power of sale or deed in lieu thereof, (ii) to the Trustee or to the Bondholder Representative pursuant to a foreclosure or by deed in lieu of foreclosure under the Deed of Trust or the other Loan Documents without the consent of the Issuer, (iii) to the first transferee following such foreclosure or transfer by deed in lieu of foreclosure, without the consent of the Issuer, if the requirements set forth in clauses (B) through (D) above are satisfied, and (iv) following notice to the Issuer, to any or all of the Owner's partners pursuant to any buy/sell option or right of first refusal contained in or ancillary to the Partnership Agreement. It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section 13 shall be null, void and without effect, shall cause a reversion of title to the Owner, and shall be ineffective to relieve the Owner of its obligations under this Regulatory Agreement. The written consent of the Issuer to any transfer of the Project shall constitute conclusive evidence that the transfer is not in violation of this Section 13. Nothing in this Section shall affect any provision

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of any other document or instrument between the Owner and any other party which requires the Owner to obtain the prior written consent of such other party in order to sell, transfer or otherwise dispose of the Project. Upon the sale or other transfer that complies with this Regulatory Agreement, the Owner shall be fully released from its obligations hereunder to the extent such obligations have been fully assumed in writing by the transferee of the Project. Except as otherwise provided herein, any transfer of the Project to any entity, whether or not affiliated with the Owner, shall be subject to the provisions of this Section 13, except that no consent of the Issuer shall be required in the case of any transfer of the Project to a wholly-owned subsidiary or related entity of the Owner.

For the Qualified Project Period, the Owner shall not: (1) permit the transfer of any part of the Project, except pursuant to the provisions of this Regulatory Agreement, the Loan Agreement the Deed of Trust, or the other Loan Documents (and upon receipt by the Issuer and the Trustee of an opinion of Bond Counsel that such action will not adversely affect the Tax-Exempt status of interest on the Bonds; *provided* that such opinion will not be required with respect to any transfer relating to a commercial operation or ancillary facility that will be available for tenant use and is customary to the operation of multifamily rental housing developments similar to the Project or otherwise is not inconsistent with the use of the Project as a multifamily rental housing development), except pursuant to the Deed of Trust or the other Loan Documents, or except upon a sale, transfer or other disposition of the Project in accordance with the terms of this Regulatory Agreement; (2) demolish any part of the Project, except such demolition to the extent that what is removed is replaced with comparable property; or (3) permit the use of the dwelling accommodations of the Project for any purpose except rental residences.

The sale and transfer of limited partnership interests in the Owner and the sale and transfer of interests within the limited partners of Owner are expressly excluded from the provisions of this Section 13; provided that the Owner shall notify the Issuer in writing of any such sale or transfer. The transfer of general partnership interests pursuant to the Owner's agreement of limited partnership are expressly excluded from the provisions of this Section 13; the limited partner of the Owner shall be permitted to remove the general partner thereof for cause and without consent of the Issuer; provided, however, the Owner shall notify the Issuer in writing of any such removal.

Section 14. Term. This Regulatory Agreement and all and several of the terms hereof shall become effective upon its execution and delivery, and shall remain in full force and effect for the period provided herein and shall terminate as to any provision not otherwise provided with a specific termination date and shall terminate in its entirety at the end of the Qualified Project Period, it being expressly agreed and understood that the provisions hereof are intended to survive the retirement, maturity or redemption of the Bonds and discharge of the Indenture, the Loan Agreement and the Loan.

The terms of this Regulatory Agreement to the contrary notwithstanding and notwithstanding the Qualified Project Period, the requirements of this Regulatory Agreement shall terminate and be of no further force and effect in the event of:

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(a) involuntary noncompliance with the provisions of this Regulatory Agreement caused by fire, seizure, requisition, change in a federal law or an action of a federal agency after the Closing Date which prevents the Issuer and the Trustee from enforcing such provisions;

(b) condemnation or a similar event, but only if, within a reasonable period, either the Bonds are retired or amounts received as a consequence of such event are used to provide a project which meets the requirements hereof;

(c) after October 15, 2024, and if the Project no longer receives the project based Section 8 rental housing assistance required pursuant to the HAP Contract or an equivalent project based subsidy under a successor federal housing program, foreclosure, transfer of title by deed in lieu of foreclosure or similar event, but only if, within a reasonable period, the Bonds are retired;

provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained herein shall be reinstated if, at any time subsequent to the termination of such provisions as the result of such event, the Owner or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for federal income tax purposes.

Notwithstanding any other provision of this Regulatory Agreement, but without limiting the generality of the provisions set forth in the immediately preceding paragraph, this Regulatory Agreement may be terminated upon agreement by the Issuer, the Trustee and the Owner only if there shall have been received by the Issuer and the Trustee of an opinion of Bond Counsel to the effect that such termination will not adversely affect the exclusion from gross income of interest for federal income tax purposes or the exemption from State personal income taxation of the interest on the Bonds. Upon the termination of the terms of this Regulatory Agreement, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof; *provided, however*, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Regulatory Agreement in accordance with its terms.

Section 15. Covenants to Run With the Land. Notwithstanding Section 1461 of the California Civil Code, the Owner hereby subjects the Project to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The Issuer, the Trustee and the Owner hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Owner's successors in title to the Project; *provided, however*, that on the termination of this Regulatory Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

Section 16. Burden and Benefit. The Issuer, the Trustee and the Owner hereby declare their understanding and intent that the burdens of the covenants set forth herein touch and concern the land in that the Owner's legal interest in the Project is rendered less valuable

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thereby. The Issuer, the Trustee and the Owner hereby further declare their understanding and intent that the benefits of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Project by Low Income Tenants and Very Low Income Tenants, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Bonds were issued.

Section 17. Uniformity; Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project in order to establish and carry out a common plan for the use of the site on which the Project is located.

Section 18. Default; Enforcement. If the Owner defaults in the performance or observance of any material covenant, agreement or obligation of the Owner set forth in this Regulatory Agreement, and if such default remains uncured for a period of 60 days after notice thereof shall have been given by the Issuer or the Trustee to the Owner, then the Issuer or the Trustee (as directed by the Issuer, subject to the provisions of the Indenture) acting on its own behalf or on behalf of the Issuer, shall declare an "Event of Default" to have occurred hereunder; *provided, however*, that if the default is of such a nature that it cannot be corrected within 60 days, such default shall not constitute an Event of Default hereunder so long as (i) the Owner institutes corrective action within said 60 days and diligently pursues such action until the default is corrected, and (ii) in the opinion of Bond Counsel delivered to the Issuer, the failure to cure said default within 60 days will not adversely affect the Tax-Exempt status of interest on the Bonds. The Issuer and the Trustee shall have the right to enforce the obligations of the Owner under this Regulatory Agreement within shorter periods of time than are otherwise provided herein if necessary to insure compliance with the Act, the Housing Act or the Code, *provided* that Issuer and Trustee shall give Owner reasonable prior notice of such shorter time periods and in all events, provide Owner with a reasonable period of time to cure such default. Following the declaration of an Event of Default hereunder the Issuer, or the Trustee at the direction of the Issuer, subject to the provisions of the Indenture, may take any one or more of the following steps, in addition to all other remedies provided by law or equity:

(a) by mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Owner to perform its obligations and covenants hereunder or enjoin any acts or things that may be unlawful or in violation of the rights of the Issuer or the Trustee hereunder;

(b) have access to and inspect, examine and make copies of all of the books and records of the Owner pertaining to the Project, *provided* the Issuer and or the Trustee shall keep all information contained within such books and records strictly confidential except to the extent the same is required to be disclosed by court order;

(c) require the Owner to pay to the Issuer an amount equal to the excess rent or other amounts received by the Owner for any units in the Project which were in violation of this Regulatory Agreement during the period such violation continued (which payment shall not reduce the amount due under the Loan), for remittance by the Issuer to the tenants who were charged said excess rent;

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(d) take such other action at law or in equity as may be necessary or desirable to enforce the obligations, covenants and agreements of the Owner hereunder, and

(e) declare a default under the Loan Agreement and proceed with any remedies provided therein.

The Owner hereby agrees that specific enforcement of the Owner's agreements contained herein is the only means by which the Issuer may fully obtain the benefits of such agreements made by the Owner herein, and the Owner therefore agrees to the imposition of the remedy of specific performance against it in the case of any Event of Default by the Owner hereunder.

The Trustee shall have the right, in accordance with this Section and the provisions of the Indenture, without the consent or approval of the Issuer, to exercise any or all of the rights or remedies of the Issuer hereunder; *provided* that prior to taking any such action the Trustee shall give the Issuer written notice of its intended action. After the Indenture has been discharged, the Issuer may act on its own behalf to declare an Event of Default to have occurred and to take any one or more of the steps specified hereinabove to the same extent and with the same effect as if taken by the Trustee.

All reasonable fees, costs and expenses of the Trustee and the Issuer incurred in taking any action pursuant to this Section shall be the sole responsibility of the Owner; *provided, however*, that in the event that any action arises hereunder in which the Owner and the Trustee are adversaries, the prevailing party, if any, shall be entitled to recover reasonable legal fees from the other party.

No breach or default under this Regulatory Agreement shall defeat or render invalid any deed of trust, mortgage or like encumbrance upon the Project or any portion thereof given in good faith and for value.

The Trustee shall not be deemed to have knowledge of any default hereunder unless the Trustee shall have been specifically notified in writing of such default by the Issuer, the Administrator or by the owners of at least 25% of the Bonds outstanding.

Promptly upon determining that a violation of this Regulatory Agreement has occurred, the Issuer or the Trustee shall, by notice in writing to the Bondholder Representative, inform the Bondholder Representative that such violation has occurred, the nature of the violation and that the violation has been cured or has not been cured, but is curable within a reasonable period of time, or is incurable.

Notwithstanding anything herein to the contrary, the occurrence of an Event of Default under this Regulatory Agreement shall not be deemed, under any circumstances whatsoever, to be a default under the Loan Documents except as may be directed by the Bondholder Representative. The parties hereto agree that the maturity date of the Deed of Trust may be accelerated solely by the Trustee, at the direction of the Bondholder Representative. Neither the Issuer nor the Trustee, or any other person acting on behalf of either of them, shall, without the prior written consent of the Bondholder Representative, exercise any remedies or direct any proceedings under this Regulatory Agreement, other than to (i) enforce specific

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performance of this Regulatory Agreement or (ii) enforce the right to payment of expenses and indemnification and the payment of any fines or penalties under Section 7(h) herein with respect to prevailing wage requirements, provided, however, that no enforcement under this Regulatory Agreement shall include seeking monetary damages or remedies under the Deed of Trust or otherwise against the Project except with the consent of the Bondholder Representative.

Section 19. The Trustee. The Trustee shall act as specifically provided herein and in the Indenture and may exercise such additional powers as are reasonably incidental hereto and thereto. The Trustee shall have no duty to act with respect to enforcement of the Owner's performance hereunder as described in Section 18 unless it shall have knowledge of any such default as provided in Section 18. The Trustee may act as the agent of and on behalf of the Issuer, and any act required to be performed by the Issuer as herein provided shall be deemed taken if such act is performed by the Trustee. In connection with any such performance, the Trustee is acting solely as Trustee under the Indenture and not in its individual capacity, and, except as expressly provided herein, all provisions of the Indenture relating to the rights, privileges, powers and protections of the Trustee shall apply with equal force and effect to all actions taken (or omitted to be taken) by the Trustee in connection with this Regulatory Agreement. Neither the Trustee nor any of its officers, directors or employees shall be liable for any action taken or omitted to be taken by it hereunder or in connection herewith except for its or their own negligence or willful misconduct

The Issuer shall be (or shall cause the Administrator to be) responsible for the monitoring and verifying of compliance by the Owner with the terms of this Regulatory Agreement. The Trustee shall not be responsible for such monitoring and verifying.

After the date on which no Bonds remain outstanding as provided in the Indenture, the Trustee shall no longer have any duties or responsibilities under this Regulatory Agreement and all references to the Trustee in this Regulatory Agreement shall be deemed references to the Issuer.

Section 20. Recording and Filing.

(a) The Owner shall cause this Regulatory Agreement and all amendments and supplements hereto and thereto, to be recorded and filed in the office of the County Recorder of Los Angeles County, California, and in such other places as the Issuer or the Trustee may reasonably request. The Owner shall pay all fees and charges incurred in connection with any such recording.

(b) The Owner and the Issuer will file of record such other documents and take such other steps as are reasonably necessary, in the written opinion of Bond Counsel filed with the Issuer and the Trustee, in order to insure that the requirements and restrictions of this Regulatory Agreement will be binding upon all owners of the Project.

(c) The Owner hereby covenants to include or reference the requirements and restrictions contained in this Regulatory Agreement in any documents transferring any interest in the Project to another person to the end that such transferee has notice of, and is bound by, such restrictions, and, except in the case of a foreclosure, exercise of the

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power of sale, or comparable involuntary conversion of the Deed of Trust or the other Loan Documents, whereby the Trustee becomes the owner of the Project, to obtain the agreement from any transferee to abide by all requirements and restrictions of this Regulatory Agreement.

Section 21. Payment of Fees. Notwithstanding any prepayment of the Loan and notwithstanding a discharge of the Indenture, the Owner shall continue to pay to the Issuer and the Trustee reasonable compensation for any services rendered by it hereunder and reimbursement for all expenses reasonably incurred by it in connection therewith, and shall continue to pay (or shall prepay to the extent permitted by the Code) the Issuer's annual administrative fees and expenses as set forth herein and in the Loan Agreement.

The Owner agrees to pay to the Issuer (i) an initial fee of \$50,000, which shall be paid on or before the Closing Date, (ii) the Issuer's annual fee (the "Issuer Fee") in an amount equal to 0.10% of the aggregate principal amount of the Bonds Outstanding, subject to an annual maximum of \$50,000, which amount shall be payable annually, in arrears, commencing on the first anniversary of the Closing Date and continuing throughout the Qualified Project Period, and (iii) within 30 days after receipt of request for payment thereof, all reasonable out-of-pocket expenses of the Issuer (not including salaries and wages of Issuer employees) related to the Bonds, the Project and the financing thereof, including, without limitation, reasonable legal fees and expenses incurred in connection with the interpretation, performance, enforcement or amendment of any documents relating to the Project or the Bonds.

In the event that the principal of and the interest on the Bonds are paid in full and the Indenture is discharged prior to the termination of this Regulatory Agreement (other than by reason of the issuance of refunding bonds or a new issuance of bonds issued by the Issuer), the Owner shall have the option to prepay in a single lump sum the remaining amount of the Issuer Fee payable until the end of the Qualified Project Period, discounted at the rate of interest on the Bonds.

In case any action at law or in equity, including an action for declaratory relief, is brought against the Owner to enforce the provisions of this Regulatory Agreement, the Owner agrees to pay reasonable attorney's fees and other reasonable expenses incurred by the Issuer, the City, the Trustee and/or the Administrator in connection with such action, provided that the Issuer and the City shall pay their own attorneys fees and expenses if the action is instituted by the Issuer or the City and the Owner prevails in the action.

All obligations of the Owner under this Agreement for the payment of the Issuer Fee and all claims or judgments for monetary damages against the Owner occasioned by breach or alleged breach by the Owner of its obligations under this Agreement, shall be unsecured by, and subordinated in priority and right to, payment and in all other respects to the obligations, and liens, rights (including without limitation and the right to payment) and interests arising or created under the Loan Documents.

Section 22. Governing Law. This Regulatory Agreement shall be governed by the laws of the State of California.

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Section 23. Amendments; Waivers.

(a) Except as provided in Section 9(a) hereof, this Regulatory Agreement may be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the office of the County Recorder of Los Angeles County, California, and only upon receipt by the Issuer of (i) an opinion from Bond Counsel that such amendment will not adversely affect the Tax-Exempt status of interest on the Bonds and is not contrary to the provisions of the Act, and (ii) the written consent of the Bondholder Representative.

(b) Anything to the contrary contained herein notwithstanding, the Issuer, the Trustee and the Owner hereby agree to amend this Regulatory Agreement to the extent required, in the opinion of Bond Counsel, in order that interest on the Bonds remain Tax-Exempt. The parties requesting such amendment shall notify the other parties to this Regulatory Agreement of the proposed amendment, with a copy of such requested amendment to Bond Counsel and a request that such Bond Counsel render to the Issuer an opinion as to the effect of such proposed amendment upon the Tax-Exempt status of interest on the Bonds. This provision shall not be subject to any provision of any other agreement requiring any party hereto to obtain the consent of any other person in order to amend this Regulatory Agreement.

(c) Any waiver of, or consent to, any condition under this Regulatory Agreement must be expressly made in writing.

Section 24. Notices. Any notice required to be given hereunder shall be made in writing and shall be given by personal delivery, overnight delivery, certified or registered mail, postage prepaid, return receipt requested, or by telecopy, in each case at the respective addresses specified in the Indenture, or at such other addresses as may be specified in writing by the parties hereto.

A copy of each notice sent by or to the Owner shall also be sent to the Bondholder Representative and to the manager of the Project at the address provided in the Indenture or otherwise in writing to the foregoing parties; but such copy shall not constitute notice to the Owner, nor shall any failure to send such copy constitute a breach of this Regulatory Agreement or a failure of or defect in notice to the Owner. Unless otherwise specified by the Issuer, the address of the Administrator shall be that of the Issuer. The Issuer, the Administrator, the Bondholder Representative, the Trustee and the Owner may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Notice shall be deemed given on the date evidenced by the postal or courier receipt or other written evidence of delivery or electronic transmission; *provided* that any telecopy or other electronic transmission received by any party after 4:00 p.m., local time of the receiving party, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day.

Section 25. Severability. If any provision of this Regulatory Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

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Section 26. Multiple Counterparts. This Regulatory Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 27. Trustee Acting Solely in Such Capacity. In accepting its obligations hereunder, the Trustee acts solely as trustee for the benefit of the Registered Owners of the Bonds, and not in its individual capacity; and the duties, powers, rights and liabilities of the Trustee in acting hereunder shall be subject to the provisions of the Indenture, including, without limitation, Article X of the Indenture.

Section 28. Compliance by Owner. The Trustee shall not be responsible for monitoring or verifying compliance by the Owner with its obligations under this Regulatory Agreement.

Section 29. Limitation on Liability. Notwithstanding the foregoing or any other provision or obligation to the contrary contained in this Regulatory Agreement, (i) the liability of the Owner under this Regulatory Agreement to any person or entity, including but not limited to the Trustee or the Issuer and their successors and assigns, is limited to the Owner's interest in the Project, the Trust Estate, including the amounts held in the funds and accounts created under the Indenture or any rights of the Owner under any guarantees relating to the Project, and such persons and entities shall look exclusively thereto, or to such other security as may from time to time be given for the payment of obligations arising out of this Regulatory Agreement or any other agreement securing the obligations of the Owner under this Regulatory Agreement; and (ii) from and after the date of this Regulatory Agreement, no deficiency or other personal judgment, nor any order or decree of specific performance (other than pertaining to this Regulatory Agreement, any agreement pertaining to any Project or any other agreement securing the Owner's obligations under this Regulatory Agreement), shall be rendered against the Owner, the assets of the Owner (other than the Owner's interest in the Project, this Regulatory Agreement, amounts held in the funds and accounts created under the Indenture, any rights of the Owner under the Indenture or any other documents relating to the Bonds or any rights of the Owner under any guarantees relating to the Project), its partners, successors, transferees or assigns and each of their respective officers, directors, employees, partners, agents, heirs and personal representatives, as the case may be, in any action or proceeding arising out of this Regulatory Agreement and the Indenture or any agreement securing the obligations of the Owner under this Regulatory Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding; provided, however, that the obligations of the Owner hereunder with respect to the payment of expenses of the Issuer and the Trustee, indemnification of the Issuer and the Trustee, and any penalties or fines with respect to prevailing wage requirements shall not be subject to this Section 29 and shall be recourse obligations of the Owner.

Section 30. City and CDLAC as Third-Party Beneficiaries. The City and CDLAC are intended to be and shall each be a third-party beneficiary of this Regulatory Agreement. The City shall have the right (but not the obligation) to enforce, separately or jointly with the Issuer and/or the Trustee or to cause the Issuer or the Trustee to enforce, the terms of this Regulatory Agreement and to pursue an action for specific performance or other available remedy at law or in equity in accordance with and subject to the limitations on the Issuer's rights contained in Section 18 hereof; and CDLAC shall have the right (but not the obligation) to

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enforce the CDLAC Conditions and to pursue an action for specific performance or other available remedy at law or in equity in accordance with Section 18 hereof, notwithstanding anything in this Section 30 to the contrary, the right of the City and CDLAC to enforce this Regulatory Agreement or the CDLAC Conditions, as applicable, shall be subject to all limitations, terms and conditions otherwise applicable to the enforcement by the Issuer of this Regulatory Agreement, and *provided* that any such action or remedy shall not materially adversely affect the interests and rights of the Bondholders.

Section 31. Covenants Run with the Land; Enforceable by CRA/LA, City and Tenants.¹ All conditions, covenants and restrictions contained in this Regulatory Agreement shall be covenants running with the land and shall be enforceable against Owner or any subsequent owner of the Project who violates a covenant or restriction and each successor in interest who continues the violation by any of the following:

- (a) Issuer;
- (b) The City;
- (c) A resident of any of the Affordable or Low Income Units;
- (d) A former resident of an Affordable or Low Income Unit who last resided in that Affordable or Low Income Unit;
- (e) An applicant seeking to enforce the covenants or restrictions for a particular Affordable or Low Income Unit, if the applicant conforms to all of the following:
 - (i) is of Low or Moderate Income;
 - (ii) is able and willing to occupy that particular Affordable or Low Income Unit; and
 - (iii) Was denied occupancy of that particular Affordable or Low Income Unit due to an alleged breach of a covenant or restriction set forth in this Regulatory Agreement; and
- (f) A person on an affordable housing waiting list who is of Low or Moderate Income and who is able and willing to occupy an Affordable or Low Income Unit.

Section 32. Rights of Third Parties. Except with respect to certain rights of the Bondholder Representative set forth herein and as otherwise expressly provided in Section 31 of this Regulatory Agreement, this Regulatory Agreement shall not be deemed to confer any rights upon, nor obligate either of the Parties to this Agreement to any person or entity not a Party to this Agreement, and the Parties explicitly disclaim any intent to create a third party beneficiary relationship with any person or entity as a result of this Agreement.

¹ Certain terms used in this Section 31 are defined in Section 7 hereof.

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Section 33. Enforcement Rights. Issuer, the Trustee, the Bondholder Representative and those listed in Section 31 shall have the right, in the event of any breach of any such agreement or covenant, to exercise all the rights and remedies, and to maintain any actions at law or suit in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant.

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IN WITNESS WHEREOF, the Issuer, the Trustee and the Owner have executed this Regulatory Agreement by duly authorized representatives, all as of the date first above written.

THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF LOS ANGELES, CALIFORNIA, as
Issuer

By:


Authorized Officer

APPROVED AS TO FORM:

Rockard J. Delgadillo, City Attorney

By:


Assistant City Attorney

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By:

Authorized Officer

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EXHIBIT J

MANAGEMENT RESTRICTIONS

These Housing Management Requirements shall apply to the residential dwelling units to be developed pursuant to the Loan Agreement between the Agency and the Owner. The covenants of the Owner contained herein shall remain in effect for the longest feasible time, but in no event less than fifty-five (55) years. Any capitalized terms not otherwise defined herein shall have the definition ascribed to such terms in the Loan Agreement.

1. Owner and its successors and assigns shall assure that 757 residential units shall be rented exclusively to persons and families of very low and low income, so that 530 units are rented to persons and families of low income (such persons or families having adjusted family income not greater than 80 percent of the area median income), and 227 units are rented to persons and families of very low income (such persons or families having adjusted family income not greater than 50 percent of the area median income), at affordable rents (as set forth in the Notice of Affordability Restrictions on Transfer of Property filed by the Agency with respect to the Project (the "Notice"), which is incorporated herein by this reference), and only such households shall be eligible to occupy the units. Area median income levels and project rents are subject to adjustment from time to time as provided in paragraph 2 below). This requirement shall continue in effect for the longest feasible time, but in no event less than fifty-five (55) years.

2. Owner, its successors and assigns shall not charge rents in excess of the amounts set forth in the Notice, adjusted by the percent change in the Area Median Income figure for Los Angeles County, as determined by the United States Department of Housing and Urban Development ("HUD"). The Agency Administrator shall notify Owner in writing of changes to the rents set forth in Exhibit. The Owner may increase rents for the dwelling units not more than annually, subject to any applicable rent control ordinance then in effect, but in no event shall rent be greater than the rent permitted by the adjusted rent limits.

3. Owner, its successors and assigns shall provide first priority in the selection of eligible tenants to households displaced by the Agency. Owner and Agency shall cooperate to effectuate this provision prior to the initial renting, or upon occurrence of a vacancy, the re-renting of any dwelling units. Further, the Owner shall hold units vacant for the relocation of otherwise eligible persons displaced by the Agency, upon the Agency's request, as long as the Owner is paid an amount equal to the lost rent less any savings realized by Owner during such holding period, and as long as the hold of units vacant does not violate any restriction imposed upon the Development arising out of the participation of the Development in the Federal Low Income Housing Tax Credit, Century Freeway Housing Program or the Federal Home Loan programs. The Owner shall accept any Agency displacee who meets the Owner's then current tenant selection criteria. If a displacee referred by the Agency to the Development is rejected for tenancy, the Owner shall specify in writing to the Agency which of the selection criteria the tenant failed to meet. During the initial rent-up, and from time to time thereafter, the Agency shall provide to the Owner a list of such persons entitled to priority.

4. The Owner agrees to submit to the Agency on a annual basis Occupancy Status Report /2
~~on the Agency's Occupancy Report form. In addition, the Owner agrees to submit to the Agency~~
an Annual Income Certification on no later than January 15th for each year of the Agency loan.

5. Owner covenants and agrees to submit to the Agency an annual report (the "Annual Report") required by Health and Safety Code Section 33418. The Annual Report shall include for each rental unit the rental rate and the income and family size of the occupants. The income information shall be supplied by the tenant in a certified statement on a form provided by the Agency. The Owner shall submit the Annual Report within 30 days of the end of calendar year. The Owner shall provide for the submission of such information in its leases with tenants.

6. Owner, such successors and assigns shall maintain the Improvements, keep the Site free from any accumulation of debris, waste materials or graffiti, and maintain in a healthy condition any landscaping required by the Scope of Development to be planted on the Site.

7. Owner, such successors and assigns shall submit a Management Plan in accordance with the following:

(a) Not later than the time specified therefore in the Schedule of Performance, Owner shall submit to the Agency Administrator a Management Plan for the Development in a form specified by the Agency and including but not limited to, the components listed below. Approval of the Management Plan must be obtained from the Agency. The Management Plan, including such amendments as may be approved in writing by the Agency Administrator or designee, shall remain in effect for fifty-five (55) years. The Management Plan is critical to the achievement of the Agency's goal to provide affordable housing to low and moderate income households, and no amendment to the Management Plan or any of its components is permitted without the prior written consent of the Agency Administrator or designee. The components of the Management Plan shall include:

- (i) Management Agent Owner shall submit the name and qualifications of the proposed management agent. The Agency shall approve or disapprove the proposed Management Agent in writing based on the experience and qualifications of the Management Agent.
- (ii) Affirmative Marketing Plan In a format provided by the Agency, the Owner shall submit a plan for attracting to the Development tenants from those ethnic and racial groups least likely to reside in the Development in the absence of outreach efforts, and providing a method to insure a fair method of selecting tenants. Owner shall be responsible for implementing the approved plan at initial marketing of the Development.
- (iii) Management Program In a format provided by the Agency, Owner or its management agent shall describe the proposed management, maintenance, tenant selection and occupancy policies and procedures for the Development. Such policies and procedures shall be consistent with this Agreement. The Owner shall not apply selection criteria which preclude tenants whose income is less than the maximum allowed income, and shall not discriminate in the rental of units among very low income, low income and

moderate income applicants for tenancy who otherwise qualify for occupancy, for the sole reason of the income of such applicant.

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- (iv) Management Agreement Owner shall submit a copy of the proposed management agreement specifying the amount of the management fee and the relationship and division of responsibilities between Owner and management agent.
- (v) Tenant Lease or Rental Agreement Owner shall submit a copy of the proposed tenant lease or rental agreement to be used in renting the dwelling units.
- (vi) Annual Budget Annually not later than ninety (90) days prior to the beginning of the next operation year of the Development, the Owner shall submit a projected operating budget to the Agency. The budget shall be in a form satisfactory to the Agency.
- (vii) Parking Management Plan Owner shall allocate the residential parking spaces among the dwelling units in accordance with a parking management plan to be included with the Management Plan. Residential tenants shall not be charged for parking space in the Improvements.
- (viii) Tenant Eligibility Review Owner must determine the income eligibility of each tenant household pursuant to the Agency's approved tenant certification procedures and maintain satisfactory documentation to the Agency for review and approval prior to the household's occupancy of one of the Development's units. Owner shall certify each tenant household's income on an annual basis.

(a) The Owner hereby covenants and agrees as follows: If at any time during the period when the Owner is required to manage the Development pursuant to the requirements set forth in this Exhibit F, the Agency determines that the Development is not being managed or maintained satisfactorily, the Owner shall change the agent or practices complained of, upon receipt of written notice from the Agency. The Agency may require the Owner to change management practices or to terminate the management contract and retain a different management agent, approved by the Agency. The management agreement shall provide that it is subject to termination by the Owner without penalty, upon thirty (30) days prior written notice, at the direction of the Agency. Within ten (10) days following a direction of the Agency to replace the management agent, the Owner shall select another management agent or make other arrangements satisfactory to the Agency Administrator or designee for continuing management of the Development.

(b) For the duration of the covenants set forth in this Exhibit J, occupancy standards shall be applied in the leasing of all units in the Development. These occupancy standards determine the minimum and maximum number of persons who may reside in each type of residential unit. Deviations from these standards may be allowed only with the prior written approval of the Agency Administrator or designee. The following occupancy standards shall apply to this Development:

	No. of Bedrooms	Minimum Persons	Maximum Persons
	0/Eff.	1	1
	1	1	3
	2	2	5
	3	4	7
	4	5	9

8. Owner agrees to submit to the Agency on a annual basis an Occupancy Report in a form set forth by the Agency. The Occupancy Report shall indicate for every unit in the project the size of the unit, name of the tenants, family size, income at the time of initial occupancy, rent, move-in date and move-out date.

**SCHEDULE B
PART I**

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees or expenses that arise by reason of:

- A. Property taxes, including general and special taxes, personal property taxes, if any, and any assessments collected with taxes, to be levied for the fiscal year 2009 - 2010 which are a lien not yet due or payable.
- B. Supplemental or escaped assessments of property taxes, if any, assessed pursuant to the Revenue and Taxation Code of the State of California., which arise solely as a result of a transfer of ownership or completion of construction occurring after the date of the policy.
- 1. An easement for the purposes shown below and rights incidental thereto as shown or as offered for dedication on the recorded map shown below.

Map:	Tract No. 30781
Recorded:	In Book 897, Page(s) 8 to 12 Inclusive of Maps
Easement purpose:	Street
Affects:	That portion of said land described therein.

Reference is made to said document for full particulars.

Said matter affects Parcel 1

- 2. Covenants, conditions and restrictions as set forth in the document
Recorded: May 27, 1965, in Book M-1874, Page 320, Official Records

This exception omits any covenant, condition or restriction based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that the covenant, condition or restriction (a) is not in violation of state or federal law, (b) is exempt under 42 U.S.C. Section 3607 or (c) relates to a handicap but does not discriminate against handicapped people.

Modification(s) of said covenants, conditions and restrictions
Recorded: February 26, 1969, in Book M-3127, Page 974, Official Records

- 3. An unrecorded Redevelopment Plan for the Bunker Hill Urban Renewal Project Area, as disclosed by the Declaration of Restrictions (as mentioned in the above mentioned Item) and as Amended Redevelopment plan in said project, as disclosed by deed recorded December 19, 1978, as Instrument No. 78-1403263, Official Records.
- 4. Intentionally Omitted.

SCHEDULE B - PART I
Continued

- H. The fact that there are water lines running Northwesterly and Southeasterly across the mid portion of the subject property.
 - I. The fact that the concrete curbs, gutters and sidewalk along the Southeasterly portion of said land extends outside the Southeasterly boundary line and into the adjoining street right of way of Hill Street.
 - J. The fact that the block wall on the Southwesterly portion of said land extends outside the Westerly boundary line and into the adjoining street right of way of Olive Street.
 - K. The fact that the gate on the Northeasterly portion of said land extends across the Northeasterly boundary line and into the adjoining property to the Northeast.
 - L. The fact that the concrete walk, the block walls and the 3rd floor catwalk of the adjoining property to the Northeast partly lie and extend into the Northeasterly portion of the subject property.
 - M. The fact that there are fire hydrants, area drains, water meters and valves, gas meters and valves, sewer manholes and cleanouts, yard boxes for electrical, sewer, gas and utility, irrigation control valves, cable TV boxes, traffic signal vaults, storm drain manholes and other utilities lying in various locations on said land.
32. Covenants, conditions and restrictions as set forth in the document entitled "Regulatory Agreement and Declaration of Restrictive Covenants" dated October 1, 2008 and executed by and between HILL RHF Housing Partners, L.P., and The Community Redevelopment Agency of the City of Los Angeles, California.

Recorded: October 20, 2008 as instrument no. 20081862175, of official records

This exception omits any covenant, condition or restriction based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that the covenant, condition or restriction (a) is not in violation of state or federal law, (b) is exempt under 42 U.S.C. Section 3607 or (c) relates to a handicap but does not discriminate against handicapped people.

Reference is made to said document for full particulars.

End of Schedule B - Part I

LandAmerica Commercial Services

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Hawkins Delafield & Wood LLP
One Embarcadero Center, Suite 3820
San Francisco, California 94111
Attention: John O. Renken, Esq.

10/20/08



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REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS

By and Among

THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF LOS ANGELES, CALIFORNIA,
as Issuer,

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

and

OLIVE RHF HOUSING PARTNERS, L.P.,
as Owner

Dated as of October 1, 2008

Relating to

\$30,095,000

The Community Redevelopment Agency of The City of Los Angeles, California
Multifamily Housing Revenue Bonds
(Angelus Plaza North Apartments Project), Series 2008A

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REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS

This REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (as supplemented and amended from time to time, this "Regulatory Agreement") is made and entered into as of October 1, 2008, by and among THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA, a redevelopment agency and a public body, corporate and politic, organized and existing under and by virtue of the laws of the State of California (together with any successor to its rights, duties and obligations, the "Issuer" or the "Agency"), THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America (together with any successor in such capacity and its successors and assigns, the "Trustee"), in its capacity as trustee under the Indenture (as defined herein), and OLIVE RHF HOUSING PARTNERS, L.P., a California limited partnership (together with any successor to its rights, duties and obligations hereunder and as owner of the Project identified herein, the "Owner"),

WITNESSETH:

WHEREAS, pursuant to Chapter 8 of Part 1 of Division 24 of the Health and Safety Code of the State of California, as amended (the "Act"), the Issuer is empowered to issue the Bonds to finance the acquisition, rehabilitation and development of multifamily rental housing; and

WHEREAS, in furtherance of the purposes of the Act, and as a part of the Issuer's program of financing housing, the Issuer has issued its \$30,095,000 Multifamily Housing Revenue Bonds (Angelus Plaza North Apartments Project), Series 2008A (the "Bonds"), the proceeds of which will be used to fund a mortgage loan (the "Loan") to the Owner to finance the acquisition, rehabilitation and equipping of four multi-story buildings consisting of 332 units of multifamily residential rental housing known as Angelus Plaza Apartments, located on the real property site described in EXHIBIT A hereto (the "Project"); and

WHEREAS, the Issuer has duly entered into a Loan Agreement, dated as of October 1, 2008 (as amended, modified or supplemented from time to time, the "Loan Agreement") with the Owner and the Trustee, specifying the terms and conditions of the loan of the proceeds of the Bonds to the Owner to finance the Project; and

WHEREAS, in order for interest on the Bonds to be excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), and the income tax regulations (the "Regulations") and rulings with respect to the Code, and in order to comply with the Act and the policies with respect to the Issuer's housing program, the use and operation of the Project must be restricted in certain respects; and

NOW, THEREFORE, in consideration of the issuance of the Bonds and the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Issuer, the Trustee and the Owner hereby agree as follows:

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Section 1. Definitions and Interpretation. Unless the context otherwise requires, the capitalized terms used herein shall have the respective meanings assigned to them in the recitals hereto, in this Section 1 or in Article I of the Indenture.

"Act" means Chapter 8 of Part 1 of Division 24 of the Health and Safety Code of the State of California.

"Adjusted Income" means the adjusted income of a person (together with the adjusted income of all persons the age of 18 years or older who intend to reside with such person in one residential unit) as calculated in the manner prescribed in Regulations Section 1.167(k)-3(b)(3) in effect as of the Closing Date.

"Administrator" means, initially, the Issuer, and thereafter any administrator or program monitor appointed by the Issuer in the administration of this Regulatory Agreement, and any successor so appointed, in each case pursuant to a certificate in substantially the form attached hereto as EXHIBIT D.

"Affiliated Party" means (1) a person whose relationship with the Owner would result in a disallowance of losses under Sections 267 or 707(b) of the Code, (2) a person who together with the Owner is a member of the same controlled group of corporations (as defined in Section 1563(a) of the Code, except that "more than 50 percent" shall be substituted for "at least 80 percent" each place it appears therein), (3) a partnership and each of its partners (and their spouses and minor children) whose relationship with the Owner would result in a disallowance of losses under Sections 267 or 707(b) of the Code, and (4) an S Corporation and each of its shareholders (and their spouses and minor children) whose relationship with the Owner would result in a disallowance of losses under Sections 267 or 707(b) of the Code.

"Area" means the Los Angeles County, California, Primary Metropolitan Statistical Area.

"Available Units" means residential units in the Project that are actually occupied and residential units in the Project that are unoccupied and have been leased at least once after becoming available for occupancy, provided that (a) a residential unit that is unoccupied on the later of (i) the date the Project is acquired or (ii) the issue date of the Bonds is not an Available Unit and does not become an Available Unit until it has been leased for the first time after such date, and (b) a residential unit that is not available for occupancy due to renovations is not an Available Unit and does not become an Available Unit until it has been leased for the first time after the renovations are completed.

"Bondholder Representative" means Citicorp Municipal Mortgage Inc., a Delaware statutory trust, in its capacity as Bondholder Representative (as defined in the Indenture) and its successors and assigns in such capacity.

"Bonds" means the \$30,095,000 aggregate principal amount of The Community Redevelopment Agency of The City of Los Angeles, California, Multifamily Housing Revenue Bonds (Angelus Plaza North Apartments Project), Series 2008A, issued October 15, 2008.

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"Bond Counsel" means Hawkins Delafield & Wood LLP or any other firm of attorneys selected by the Issuer of nationally-recognized standing in matters pertaining to the federal tax exclusion of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America, but shall not include counsel for the Owner.

"CDLAC" means the California Debt Limit Allocation Committee and its successors and assigns.

"Certificate of Continuing Program Compliance" means the certificate with respect to the Project to be filed by the Owner with the Issuer, the Administrator and the Trustee pursuant to Section 4(e) hereof, which shall be substantially in the form attached hereto as EXHIBIT C hereto, or in such other form which the Issuer may find more convenient and consistent with its administrative procedures, as provided by the Issuer to the Owner.

"City" means the City of Los Angeles, California.

"Closing Date" means the date of issuance and delivery of the Bonds, which is October 15, 2008.

"Code" means the Internal Revenue Code of 1986, as amended.

"Completion Certificate" means the certificate of completion of the Project required to be delivered to the Issuer and the Administrator by the Owner pursuant to Section 2 of this Regulatory Agreement, which shall be substantially in the form attached hereto as EXHIBIT E.

"Completion Date" means the date acquisition, rehabilitation and equipping of the Project is completed.

"Costs of Issuance" means to the extent authorized by the Code, the Regulations and the Act, any and all costs incurred by the Issuer with respect to the authorization, sale and issuance of the Bonds, including, without limitation, printing costs, costs of reproducing documents, filing and recording fees, fees and charges of the Trustee, fees and expenses of counsel to the Trustee, fees and expenses of Bond Counsel, counsel to the Issuer, counsel to the Owner, counsel to the underwriter, fees and expenses of the Issuer's financial advisor, legal and accounting fees and charges, costs of credit ratings, fees and charges for execution, transportation and safekeeping of Bonds, fees and expenses of the City and the Issuer (including but not limited to the fees and expenses of the City Attorney), fees and expenses of counsel to any present or future credit enhancement provider for the Bonds, legal and accounting fees and charges, costs of credit ratings, fees of the CDLAC and the California Debt Advisory Commission, fees and charges for execution, transportation and safekeeping of the Bonds, initial fees of the Issuer and other costs, charges and fees in connection with the foregoing.

"Deed of Trust" has the meaning assigned such term in the Indenture.

"Housing Act" means the United States Housing Act of 1937, as amended, or its successor.

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"HUD" means the Department of Housing and Urban Development.

"Income Certification" means a Verification of Income and an Occupancy Certificate in the form attached as EXHIBIT B hereto, or in such other comparable form which the Issuer may find more convenient and consistent with its administrative procedures (as may be approved by Bond Counsel) as may be provided by the Issuer to the Owner.

"Indenture" shall mean the Trust Indenture, dated as of October 1, 2008, by and between the Issuer and the Trustee, as originally executed or as it may be from time to time supplemented, amended or modified.

"Inducement Date" means the date of the first official action by the Issuer expressing its intent to issue revenue obligations to assist the Owner in financing the Project, which is December 20, 2007.

"Loan" means the loan made to the Borrower pursuant to the Loan Agreement to provide financing for the acquisition and rehabilitation of the Project.

"Loan Agreement" shall mean the Loan Agreement, dated as of October 1, 2008, by and between the Issuer and the Owner, as originally executed or as it may from time to time be supplemented, amended or modified.

"Low Income Tenant" means any Tenant whose Adjusted Income does not exceed sixty percent (60%) of Median Income for the Area, with adjustments for family size. If all the occupants of a unit are students (as defined under Section 151(c)(4) of the Code), no one of whom is entitled to file a joint return under Section 6013 of the Code, such occupants shall not qualify as Low Income Tenants. The determination of a Tenant's status as a Low Income Tenant shall initially be made by the Owner upon initial occupancy of a unit in the Project by such Tenant, on the basis of an Income Certification executed by the Tenant upon such Tenant's occupancy of a unit in the Project and upon annual recertification thereafter.

"Low Income Units" means the units in the Project required to be rented, or held available for occupancy, by Low Income Tenants pursuant to Sections 4(a) and 5(a) hereof.

"Median Income for the Area" means the median income for the Area as most recently determined by the Secretary of Treasury pursuant to Section 142(d)(2)(B) of the Code.

"Owner" or "Borrower" means Olive RHF Housing Partners, L.P., a California limited partnership, and its successors and assigns.

"Project" means the 332 unit multifamily residential rental housing project, and ancillary capital and commercial improvements, known as Angelus Plaza Apartments, located on the real property site described in EXHIBIT A hereto, consisting of those facilities, including the real property, and the structures, buildings, fixtures or equipment situated thereon, as it may at any time exist, the acquisition, rehabilitation and improvement of which facilities are to be financed, in whole or in part, from the proceeds of the sale of the Bonds, and any real property, structures, buildings, fixtures or equipment acquired in substitution for, as a renewal or replacement of, or a modification or improvement to, all or any part of such facilities.

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"Project Costs" means to the extent authorized by the Code, the Regulations and the Act, any and all costs incurred by the Owner with respect to the acquisition, rehabilitation and equipping, as the case may be, of the Project, whether paid or incurred prior to or after the sixtieth day (60th) preceding the Inducement Date, including, without limitation, costs for site preparation, the planning of housing and related facilities and improvements, the acquisition of property, the removal or demolition of existing structures, the construction of housing and related facilities and improvements, and all other work in connection therewith, and all costs of financing, including, without limitation, the cost of consultant, accounting and legal services, other expenses necessary or incident to determining the feasibility of the Project, contractors' and Owner's overhead and supervision fees and costs directly allocable to the Project, administrative and other expenses necessary or incident to the Project and the financing thereof (including reimbursement to any municipality, county or entity for expenditures made, with the approval of the Issuer, for the Project), interest accrued during rehabilitation and prior to the Completion Date and all other costs approved by Bond Counsel.

"Qualified Project Costs" means the Project Costs (excluding Costs of Issuance) incurred after the sixtieth day (60th) preceding the Inducement Date which constitute either land or property of a character subject to the allowance for depreciation under Section 167 of the Code or are chargeable to a capital account with respect to the Project for federal income tax and financial accounting purposes, or would be so chargeable either with a proper election by the Owner or but for the proper election by the Owner to deduct those amounts within the meaning of Section 1.103-8(a)(1)(i) of the Regulations; provided, however, that only such portion of interest accrued during acquisition, rehabilitation and equipping of the Project shall constitute a Qualified Project Cost as bears the same ratio to all such interest as the Qualified Project Costs bear to all Project Costs paid from Bond proceeds and interest earnings thereon; and provided further that interest accruing after the Completion Date shall not be a Qualified Project Cost; and provided further still that if any portion of the Project is being acquired, rehabilitated or equipped by an Affiliated Party (whether as a general contractor or a subcontractor), "Qualified Project Costs" shall include only the actual out-of-pocket costs incurred by such Affiliated Party in acquisition, rehabilitation or equipping the Project (or any portion thereof) and not, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the acquisition, rehabilitation or equipping of the Project or payments received by such Affiliated Party due to early completion of the Project (or any portion thereof); "Qualified Project Costs" do not constitute costs of issuance of the Bonds, leasing commissions, costs of advertising for the Project or other costs related to the rental of units in the Project, or management fees for the management and operation of the Project.

"Qualified Project Period" means the period beginning on the later of the Closing Date or the first day on which at least 10% of the dwelling units in the Project are first occupied, and ending on the later of the following:

- (a) the date which is fifteen (15) years after the date on which at least fifty percent (50%) of the units in the Project are first occupied; or
- (b) the first date on which no Tax-Exempt private activity bonds with respect to the Project are Outstanding; or

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(c) the date on which any assistance provided with respect to the Project under Section 8 of the Housing Act terminates; and

(d) such later date as may be specified in Section 6 hereof;

provided, that if at least 10% of the residential units in the Project are Available Units at all times within 60 days after the later of (1) the date the Project is acquired by the Owner, or (2) the issue date of the Bonds, then the Qualified Project Period shall begin on the date one year after the issue date of the Bonds and end on the later of (i) the date that is fifteen (15) years after such date or (ii) the later of the dates specified in clauses (a), (b), (c) and (d) above. For purposes of clause (b), the term "private activity bonds" has the meaning set forth in Section 141(a) of the Code.

"Regulations" means the Income Tax Regulations of the Department of the Treasury applicable under the Code from time to time,

"Regulatory Agreement" means this Regulatory Agreement and Declaration of Restrictive Covenants, dated as of October 1, 2008, as it may be supplemented, modified or amended from time to time.

"Tax Certificate" means the Tax Certificate and Agreement, dated the issuance date of the Bonds executed and delivered by the Issuer and the Owner, as amended or supplemented from time to time.

"Tax-Exempt" means, with respect to interest on any obligations of a state or local government, including the Bonds, that such interest is excluded from gross income for federal income tax purposes; *provided, however*, that such interest may be includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities under the Code.

"Tenant" means, at any time of determination thereof, all persons who together occupy a single residential unit in the Project, and upon the occupancy of a unit by any individual in addition to the previous Tenant of such unit, such unit shall be deemed to be occupied by a new Tenant.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., acting as trustee under the Indenture or any successor trustee appointed in accordance with the terms of the Indenture.

"Verification of Income" means a Verification of Income in the form attached as EXHIBIT B hereto, or in such other comparable form which the Issuer may find more convenient and consistent with its administrative procedures (as may be approved by Bond Counsel) as may be provided by the Issuer to the Owner.

"Very Low Income Tenant" means any Tenant whose Adjusted Income does not exceed fifty percent (50%) of Median Income for the Area with adjustments for family size. If all the occupants of a unit are students (as defined under Section 151(e)(4) of the Code), no one of whom is entitled to file a joint return under Section 6013 of the Code, such occupants shall not qualify as Very Low Income Tenants. The determination of a Tenant's status as a Very Low

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Income Tenant shall initially be made by the Owner upon initial occupancy of a unit in the Project by such Tenant, ~~on the basis of an Income Certification executed by the Tenant upon~~ such Tenant's occupancy of a unit in the Project and upon annual recertification thereafter.

"Very Low Income Units" means the units in the Project required to be rented, or held available for occupancy by, Very Low Income Tenants pursuant to Sections 4 and 5(a) hereof.

Unless the context clearly requires otherwise, as used in this Regulatory Agreement, words of any gender shall be construed to include each other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Regulatory Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Regulatory Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Regulatory Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

The parties to this Regulatory Agreement acknowledge that each party and their respective counsel have participated in the drafting and revision of this Regulatory Agreement. Accordingly, the parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Regulatory Agreement or any supplement or exhibit hereto.

Section 2. Representations, Covenants and Warranties of the Owner. The Owner hereby represents, as of the date hereof, and covenants, warrants and agrees as follows:

(a) The Owner has incurred a substantial binding obligation to commence the acquisition, rehabilitation and equipping of the Project, pursuant to which the Owner is obligated to expend at least 5% of the net sale proceeds of the Bonds.

(b) The Owner's reasonable expectations respecting the total Project Costs and the disbursement of Bond proceeds are accurately set forth in the Borrower's Use of Proceeds Certificate attached to the Tax Certificate which has been delivered to the Issuer.

(c) The Owner will proceed with due diligence to complete the acquisition, rehabilitation and equipping of the Project and expects to expend at least 95% of the proceeds of the Loan for Qualified Project Costs prior to the third anniversary of the Closing Date.

(d) The Owner hereby incorporates herein, as if set forth in full herein, each of the representations, covenants and warranties of the Owner contained in the Tax Certificate and the Loan Agreement relating to the Project.

(e) The Owner hereby represents and warrants that the Project is located entirely within the City.

(f) On the Completion Date, the Owner will submit to the Issuer and the Administrator, a duly executed and completed Completion Certificate.

(g) Money on deposit in any fund or account in connection with the Bonds, whether or not such money was derived from other sources, shall not be used by or under the direction of the Owner, in a manner which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and the Owner specifically agrees that the investment of money in any such fund shall be restricted as may be necessary to prevent the Bonds from being "arbitrage bonds" under the Code.

(h) The Owner (and any person related to it within the meaning of Section 147(a)(2) of the Code) will not take or omit to take, as is applicable, any action if such action or omission would in any way cause the proceeds from the sale of the Bonds to be applied in a manner contrary to the requirements of the Indenture, the Loan Agreement, the Tax Certificate or this Regulatory Agreement.

(i) The Owner acknowledges, represents and warrants that it understands the nature and structure of the transactions contemplated by this Regulatory Agreement; that it is familiar with the provisions of all of the documents and instruments relating to the Bonds to which it is a party or of which it is a beneficiary; that it understands the financial and legal risks inherent in such transactions; and that it has not relied on the Issuer for any guidance or expertise in analyzing the financial or other consequences of such financing transactions or otherwise relied on the Issuer in any manner except to issue the Bonds in order to provide funds to assist the Owner in acquiring and rehabilitating the Project.

Section 3. Qualified Residential Rental Project. The Owner hereby acknowledges and agrees that the Project is to be owned, managed and operated in the same manner as a "qualified residential rental project" (within the meaning of Section 142(d) of the Code) for a term equal to the Qualified Project Period. To that end, and for the term of this Regulatory Agreement, the Owner hereby represents, covenants, warrants and agrees as follows:

(a) The Project will be acquired, rehabilitated and operated for the purpose of providing multifamily residential rental property. The Owner will own, manage and operate the Project as a project to provide multifamily residential rental property comprised of a building or structure or several interrelated buildings or structures, together with any functionally related and subordinate facilities, and no other facilities, in accordance with Section 142(d) of the Code, Section 1.103-8(b) of the Regulations and the provisions of the Act, and in accordance with such requirements as may be imposed thereby on the Project from time to time. For purposes of this Subsection 3(a), the term "functionally related and subordinate facilities" includes facilities for use by the tenants, for example, swimming pools, other recreational facilities, parking areas, and other facilities which are reasonably required for the Project, for example, heating and cooling equipment, trash disposal equipment and units for resident managers and maintenance

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personnel. Substantially all of the Project will contain such units and functionally related and subordinate facilities.

(b) All of the dwelling units in the Project will be similarly constructed units, and, following the Completion Date, each dwelling unit in the Project will contain complete separate and distinct facilities for living, sleeping, eating, cooking and sanitation for a single person or a family, including a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink.

(c) Following the Completion Date, none of the dwelling units in the Project will at any time be utilized on a transient basis or rented for a period of less than 30 consecutive days, or will be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home or trailer court or park; *provided, however*, that the Project may comprise the dwelling units, and facilities functionally related and subordinate to the dwelling units, which constitute a portion of a congregate care or assisted living facility.

(d) No part of the Project will at any time during the Qualified Project Period be owned by a cooperative housing corporation, nor shall the Owner take any steps in connection with a conversion to such ownership or use, and the Owner will not take any steps in connection with a conversion of the Project to condominium ownership during the Qualified Project Period (except that the Owner may obtain final map approval and the Final Subdivision Public Report from the California Department of Real Estate and may file a condominium plan with The City of Los Angeles).

(e) All of the dwelling units in the Project (except for not more than four (4) units set aside for resident manager or other administrative use) will be available for rental during the Qualified Project Period on a continuous basis to members of the general public, on a first-come, first-served basis, and the Owner will not give preference to any particular class or group (other than to persons of 62 years of age or older) in renting the dwelling units in the Project, except to the extent that dwelling units are required to be leased or rented to Low Income Tenants or Very Low Income Tenants.

(f) The Project consists of a parcel or parcels that are contiguous except for the interposition of a road, street or stream, and all of the facilities of the Project comprise a single geographically and functionally integrated project for residential rental property, as evidenced by the ownership, management, accounting and operation of the Project.

(g) No dwelling unit in the Project shall be occupied by the Owner; *provided, however*, this provision shall not be construed to prohibit occupancy of not more than four dwelling units by four or more resident managers or maintenance personnel any of whom may be the Owner. For purposes of Sections 3 and 4 hereof, no unit occupied by a residential manager shall be treated as a rental unit during the time of such occupation.

(h) Should involuntary noncompliance with the provisions of Section 1.103-8(b) of the Regulations be caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in a federal law or an action of a federal

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agency after the Closing Date which prevents the Issuer from enforcing the requirements of the Treasury Regulations, or condemnation or similar event, the Owner covenants that, within a "reasonable period" determined in accordance with the Regulations, and subject to the provisions of the Indenture and the Loan Agreement, it will either prepay the Loan or apply any proceeds received as a result of any of the preceding events to reconstruct the Project to meet the requirements of Section 142(d) of the Code and the Regulations.

(i) The Owner shall not discriminate on the basis of race, religion, creed, color, ethnic group identification, sex, source of income (e.g., AFDC, SSI), mental or physical disability, age, national origin or marital status in the rental, lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project.

Section 4. Low Income Tenants; Reporting Requirements. Pursuant to the requirements of the Code, the Owner hereby represents, warrants and covenants as follows:

(a) During the Qualified Project Period, no less than 40% of the total number of completed units of the Project shall at all times be rented to and occupied by Low Income Tenants. For the purposes of this Subsection 4(a), a vacant unit which was most recently occupied by a Low Income Tenant is treated as rented and occupied by a Low Income Tenant until reoccupied, other than for a temporary period of not more than 31 days, at which time the character of such unit shall be redetermined.

(b) No tenant qualifying as a Low Income Tenant upon initial occupancy shall be denied continued occupancy of a unit in the Project because, after admission, such tenant's Adjusted Income increases to exceed the qualifying limit for Low Income Tenants. However, should a Low Income Tenant's Adjusted Income, as of the most recent determination thereof, exceed one hundred forty percent (140%) of the applicable income limit for a Low Income Tenant of the same family size, the next Available Unit of comparable or smaller size must be rented to (or held vacant and available for immediate occupancy by) a Low Income Tenant. Until such next Available Unit is rented, the former Low Income Tenant who has ceased to qualify as such shall be deemed to continue to be a Low Income Tenant for purposes of the 40% requirement of Section 4(a) hereof.

(c) For the Qualified Project Period, the Owner will obtain, complete and maintain on file Income Certifications for each Low Income Tenant, including (i) an Income Certification dated immediately prior to the initial occupancy of such Low Income Tenant in the Project, and (ii) thereafter, an annual Income Certification with respect to each Low Income Tenant, within thirty days before or after the anniversary of such tenant's initial occupancy of a unit in the Project. In addition, the Owner will obtain an Income Certificate for each Tenant prior to June 30, 2009. The Owner will provide such additional information as may be required in the future by the State of California, by the Issuer and by the Code, as the same may be amended from time to time, or in such other form and manner as may be required by applicable rules, rulings, policies, procedures, Regulations or other official statements now or hereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service

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with respect to Tax-Exempt obligations. A copy of the most recent Income Certifications for Low Income Tenants commencing or continuing occupation of a Low Income Unit shall be attached to each report to be filed with the Issuer pursuant to Subsection 4(e) hereof. The Owner shall make a good faith effort to verify that the income information provided by an applicant in a Verification of Income is accurate by taking one or more of the following steps as a part of the verification process: (1) obtain a pay stub for the most recent pay period, (2) obtain an income tax return for the most recent tax year, (3) obtain a credit report or conduct a similar type credit search, (4) obtain an income verification from the applicant's current employer, (5) obtain an income verification from the Social Security Administration and/or the California Department of Social Services if the applicant receives assistance from either of such agencies, or (6) if the applicant is unemployed and does not have an income tax return, obtain another form of independent verification reasonably acceptable to the Issuer.

(d) The Owner will maintain complete and accurate records pertaining to the Low Income Units in accordance with its usual and customary business practice, will obtain and maintain on file from each Low Income Tenant residing in the Project a copy of such Tenant's federal income tax return for the taxable year immediately preceding such Tenant's initial occupancy (or, if later, the commencement of the Qualified Project Period) in the Project and each year thereafter or other satisfactory evidence of income for such year and will permit any duly authorized representative of the Issuer, the Administrator, the Trustee, CDLAC, the Department of the Treasury or the Internal Revenue Service to inspect the books and records of the Owner pertaining to the Project, including those records pertaining to the occupancy of the Low Income Units.

(e) The Owner will prepare and submit to the Issuer, the Administrator and the Trustee, no later than the fifteenth day of each calendar quarter, until the end of the Qualified Project Period, a Certificate of Continuing Program Compliance executed by the Owner stating (i) the percentage of the dwelling units of the Project that were occupied or deemed occupied pursuant to Subsection 4(a) hereof, by Low Income Tenants during the preceding calendar month; and (ii) that either (A) no unremedied default on the part of the Owner has occurred under this Regulatory Agreement, the Loan Agreement or the Deed of Trust, or (B) a default has occurred, in which event the certificate shall describe the nature of the default in detail and set forth the measures being taken by the Owner to remedy such default.

(f) The Owner shall submit to the Secretary of the Treasury annually on the anniversary date of the start of the Qualified Project Period, or such other date as is required by the Secretary of the Treasury, a certification that the Project continues to meet the requirements of Section 142(d) of the Code, and shall provide a copy of such certification to the Administrator and to the Bondholder Representative. Failure to comply with the provisions of this paragraph will subject the Owner to penalty, as provided in Section 6652(j) of the Code.

(g) For the Qualified Project Period, all tenant leases or rental agreements shall be subordinate to this Regulatory Agreement and the Deed of Trust. All leases pertaining to Low Income Units shall contain clauses, among others, wherein each tenant

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who occupies a Low Income Unit: (i) certifies the accuracy of the statements made in the Verification of Income; (ii) agrees that the family income and other eligibility requirements shall be deemed substantial and material obligations of the tenancy of such tenant, that such tenant will comply promptly with all requests for information with respect thereto from the Owner, the Trustee or the Administrator on behalf of the Issuer or the Bondholder Representative, and that the failure to provide accurate information in the Verification of Income or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of the tenancy of such tenant; (iii) acknowledges that the Owner has relied on the Verification of Income and supporting information supplied by the Low Income Tenant in determining qualification for occupancy of the Low Income Unit, and that any material misstatement in such certification (whether or not intentional) will be cause for immediate termination of such lease or rental agreement; and (iv) agrees that the tenant's income is subject to annual certification in accordance with Section 4(c) hereof and that if upon any such certification such tenant's Adjusted Income exceeds the applicable income limit under Section 4(b), such tenant may cease to qualify as a Low Income Tenant, and such tenant's rent is subject to increase.

Section 5. Additional Issuer Requirements. In addition to the requirements set forth above, the Owner hereby agrees that at all times during the Qualified Project Period it shall comply with each of the requirements of Section 33760 of the Act set forth in this Section 5, as follows:

(a) Not less than 90% of the total number of units in the Project (including units set aside for restricted occupancy pursuant to Section 4 hereof) shall be available for occupancy on a priority basis to Low Income Tenants and not less than 10% of the total number of units in the Project (including units set aside for restricted occupancy pursuant to Section 4 hereof) shall be available for occupancy on a priority basis to Very Low Income Tenants. The units of the Project shall also be restricted such that not less than 70% of the total number of units in the Project (including units set aside for restricted occupancy pursuant to Section 4 hereof) shall be available for occupancy on a priority basis to Low Income Tenants and not less than 30% of the total number of units in the Project (including units set aside for restricted occupancy pursuant to Section 4 hereof) shall be available for occupancy on a priority basis to Very Low Income Tenants.

(b) The rental payments for the Very Low Income Units paid by the tenants thereof (excluding any supplemental rental assistance from the State, the federal government or any other public agency to those tenants or on behalf of those units) shall not exceed 30% of an amount equal to 50% of the median adjusted gross income for the Area, subject to adjustment for household size as permitted by the Act, the Code or the Regulations.

(c) The rental payments for the Low Income Units paid by the tenants thereof (excluding any supplemental rental assistance from the State, the federal government or any other public agency to those tenants or on behalf of those units) shall not exceed 30% of an amount equal to 60% of the median adjusted gross income for the Area, subject to adjustment for household size as permitted by the Act, the Code or the Regulations.

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(d) The Owner shall accept as tenants, on the same basis as all other prospective tenants, low-income persons who are recipients of federal certificates or vouchers for rent subsidies pursuant to the existing program under Section 8 of the Housing Act. The Owner shall not permit any selection criteria to be applied to Section 8 certificate or voucher holders that are more burdensome than the criteria applied to all other prospective tenants.

(e) The units reserved for occupancy as required by Subsection 5(a) shall remain available on a priority basis for occupancy at all times during the Qualified Project Period.

(f) During the three (3) years prior to the expiration of the Qualified Project Period, the Owner shall continue to make available to eligible households reserved units that have been vacated to the same extent that nonreserved units are made available to noneligible households.

(g) Following the expiration or termination of the Qualified Project Period, except in the event of eminent domain, or action of a federal agency preventing enforcement, units reserved for occupancy as required by Subsection 5(a) and 5(b) shall remain available to any eligible tenant occupying a reserved unit at the date of such expiration or termination, at the rent determined by Subsection 5(b), until the earliest of the date on which (1) the household's income exceeds 140% of the maximum eligible income specified above, (2) the tenant voluntarily moves or is evicted for good cause, as defined in the Act, (3) 55 years after the date of the commencement of the Qualified Project Period, or (4) the Owner pays the relocation assistance and benefits to households as provided in Section 7264(b) of the California Government Code.

(h) The Owner shall provide the notices specified in the Section 65863.10 of the Government Code of the State of California at the times required thereby.

(i) The Owner shall comply with the nondiscrimination requirements of Section 33769 of the Health and Safety Code of the State of California.

(j) The Project shall be subject to Section 7262.5 of the California Government Code as the same applies to tenants who are displaced due to rehabilitation of the Project.

(k) The covenants and conditions of this Regulatory Agreement shall be binding upon successors in interest of the Owner.

(l) This Regulatory Agreement shall be recorded in the office of the County Recorder of Los Angeles County, California and shall be recorded in the grantor-grantee index to the names of the Owner as grantor and to the name of the Issuer as grantee.

Section 6. Additional Requirements. In addition to the requirements set forth above and to the extent not prohibited thereby, the Owner hereby agrees during the Qualified Project Period to comply with each of the requirements of the Issuer set forth in this Section 6, as follows:

(a) The Owner will pay to the Issuer all of the amounts required to be paid under the Loan Agreement, and will indemnify the Issuer and the Trustee as provided in the Loan Agreement.

(b) All tenant lists, applications and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of the Owner and shall be maintained as required by the Issuer in a reasonable condition for proper audit and subject to examination during business hours by representatives of the Issuer upon reasonable prior notice.

(c) The Owner will comply with the terms of the HAP Agreement and will use its best efforts to obtain a renewal of the HAP Agreement to the extent such renewal will be in the best interests of the Project.

(d) The Owner acknowledges that the Issuer may appoint an Administrator other than the Issuer to administer this Regulatory Agreement and to monitor performance by the Owner of the terms, provisions and requirements hereof. In such event, the Owner shall comply with any reasonable request by the Issuer to deliver to any such Administrator, in addition to or instead of the Issuer, any reports, notices or other documents required to be delivered pursuant hereto, and to make the Project and the books and records with respect thereto available for inspection by the Administrator as an agent of the Issuer.

(e) For purposes of Section 5(b), the base rents shall be adjusted for household size, to the extent permitted by law, and in making such adjustments it shall be assumed that one person will occupy a studio unit, two persons will occupy a one-bedroom unit, three persons will occupy a two-bedroom unit, four persons will occupy a three-bedroom unit, and five persons will occupy a four-bedroom unit.

(f) The Owner shall comply with the conditions set forth in EXHIBIT A to CDLAC Resolution No. 08-97, adopted on May 28, 2008 (the "CDLAC Resolution"), as they may be further modified or amended from time to time, which conditions are incorporated herein by reference and made a part hereof. Without limiting the generality of the foregoing, and except as provided in Section 14 hereof, as provided in the CDLAC Resolution, the term of the income and rental restrictions for the Project will be at least 55 years. The Owner will prepare and submit to CDLAC, not later than each anniversary of the Closing Date, until the end of the Qualified Project Period, a Certificate of Continuing Program Compliance, in substantially the form attached to the CDLAC Resolution, executed by an authorized representative of the Owner. The Issuer, the Trustee and the Administrator shall have no obligation to monitor the Owner's compliance with the CDLAC Resolution.

(g) *Non-Discrimination During Construction; Equal Opportunity.* The Owner (for purposes of this subsection, the term Owner includes Owner's contractors) for itself, its successors and assigns, and transferees agrees that in the construction of the Project:

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(i) The Owner will not discriminate against any employee or applicant for employment because of race, color, religion, creed, national origin, ancestry, disability (actual or perceived), medical condition, age, source of income, marital status, familial status, sex, sexual orientation, Acquired Immune Deficiency Syndrome (AIDS) acquired or perceived, or retaliation for having filed a discrimination complaint "nondiscrimination factors." The Owner will take affirmative steps to ensure that applicants are employed by the Owner, and that its employees are treated without regard to the nondiscrimination factors during employment including, but not limited to, activities of: upgrading, demotion or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Owner agrees to post in conspicuous places, available to its employees and applicants for employment, the applicable nondiscrimination clause set forth herein;

(ii) The Owner will ensure that its solicitations or advertisements for employment are in compliance with the aforementioned nondiscrimination factors; and

(iii) The Owner will cause the foregoing provisions to be inserted in all contracts for the construction of the Project entered into by the Owner after the date of this Regulatory Agreement and shall ensure that its general contractor(s) shall insert the foregoing provisions in the general contractor's subcontracts; provided, however, that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

(h) *Prevailing Wages.*

(i) The Owner shall pay or cause to be paid to all workers employed in connection with the Improvements, not less than the prevailing rates of wages, as provided in the statutes applicable to Issuer public works contracts, including without limitation Sections 33423-33426 of the California Health and Safety Code and Sections 1770-1780 of the California Labor Code, in accordance with the Issuer's "Policy on Payment of Prevailing Wages By Private Redevelopers or Owner-Participants" dated February 1986, attached hereto as EXHIBIT F and incorporated herein by this reference. In addition to any restitution required by the Issuer's Policy and/or applicable law, any Owner determined by the Issuer to have violated any provision of the Issuer's Policy, shall forthwith pay the following as a penalty to the Issuer or the State of California, if directed:

(A) Payment of less than prevailing wages: Fifty Dollars (\$50) per calendar day, or portion thereof, for each worker paid less than prevailing wages;

(B) Failure to provide all reasonably requested records and/or provide access to job site or workers: Five Thousand Dollars (\$5,000) per day, or portion thereof.

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(ii) If the Improvements are financed in whole or in part with assistance provided under a program of the U.S. Department of Housing and Urban Development or some other source of federal funding, the Owner shall comply with or cause its general contractor and all subcontractors to comply with the requirements of the Davis-Bacon Act (40 U.S.C. 276 et. seq.). The Davis-Bacon Act requires the payment of wages to all laborers and mechanics at a rate not less than the minimum wage specified by the Secretary of Labor in periodic wage rate determinations as described in the Federal Labor Standards Provisions (HUD-4010). In the event both State Prevailing wages and Davis-Bacon Act wages will be required, all works shall be paid at the higher of the two wage rates.

(iii) Prior to the commencement of construction, the Owner shall contact the Issuer to schedule a preconstruction orientation meeting with the Owner and with the general contractor to explain such matters as the specific rates of wages to be paid to workers in connection with the Improvements, preconstruction conference requirements, record keeping and reporting requirements necessary for the evaluation of the Owner's compliance with this Section.

(iv) Owner shall monitor and enforce the foregoing prevailing wage requirements imposed on its contractors and subcontractors, including withholding payments to those contractors or subcontractors who violate these requirements. In the event that Owner fails to monitor or enforce these requirements against any contractor or subcontractor, Owner shall be liable for the full amount of any underpayment of wages, plus costs and attorneys' fees, as if Owner were the actual employer, and the Issuer or the State Department of Industrial Relations may withhold monies owed to the Owner, may impose penalties on Owner in the amounts specified herein, may take action directly against the contractor or subcontractor as permitted by law, and/or may declare the Owner in default of this Regulatory Agreement (subject to the notice and cure rights provided in this Regulatory Agreement) and thereafter pursue any of the remedies available under this Regulatory Agreement.

(v) Any contractor or subcontractor who is at the time of bidding debarred by the Labor Commissioner pursuant to Section 1777.1 of the California Labor Code is ineligible to bid on the construction of the Project or to receive any contract or subcontract for work being financed with the proceeds of the Bonds. The Owner agrees to include, or cause to be included, this provision in all bid specifications for the Improvements.

Any contractor or subcontractor who, at the time of the date of this Regulatory Agreement, is listed in the Lists of Parties Excluded From Federal Procurement or Nonprocurement Programs issued by the U.S. General Services Administration pursuant to Section 3(a) of the Davis-Bacon Act is ineligible to receive a contract for work covered under this Regulatory Agreement, if the covered work is Federally funded in whole or in part.

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Any contractor or subcontractor that is at the time of bidding debarred or ~~declared non-responsible under the Issuer's Contractor Responsibility Policy or~~ the City's Contractor Responsibility Ordinance is ineligible to bid on the construction of the Improvements or to receive any contract or subcontract for work covered under this Regulatory Agreement. Owner agrees to include, or cause to be included, this Section 6(h) in all bid specifications for work covered under this Regulatory Agreement.

(vi) Owner agrees to include, or cause to be included, the above provisions in all bid specifications for all contracts with respect to the Improvements.

(vii) Owner shall indemnify, hold harmless and defend (with counsel reasonably acceptable to the Issuer) the Issuer and the City against any claim for damages, compensation, fines, penalties or other amounts arising out of the failure or alleged failure of any person or entity (including Owner, its contractor and subcontractors) to pay prevailing wages as determined pursuant to California Labor Code Sections 1720 et seq. and implementing regulation or comply with the other applicable provisions of Labor Code Sections 1720 et seq. and implementing regulations of the Department of Industrial Relations in connection with construction of the Improvements or any other work undertaken or in connection with the Project.

(i) *No discrimination.*

(i) Owner covenants and agrees for itself, its successors and its assigns in interest to the Project or any part thereof, that there shall be no discrimination against or segregation of any person or persons on any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code. All deeds, leases, or contracts for the sale, lease, sublease, or other transfer of the Project shall contain or be subject to the nondiscrimination or nonsegregation clauses hereafter prescribed.

(ii) Notwithstanding subparagraph (i) above, with respect to familial status, subparagraph (i) above shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in subdivision (a) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to subparagraph (i) above.

(j) *Required Nondiscrimination Clauses.* Owner shall refrain from restricting the rental, sale or lease of the Project as provided in Section 6(i), above. All deeds, leases or contracts for the sale, lease, sublease, or other transfer of the Project entered into after

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the date on which this Agreement is executed by Issuer shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(i) In deeds the following language shall appear:

"The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

(ii) Notwithstanding Section 6(j)(i), above, with respect to familial status, Section 6(j)(i) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in Section 6(j)(i) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to Section 6(j)(i).

(iii) In leases the following language shall appear--"The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

(iv) Notwithstanding Section 6(j)(iii), above, with respect to familial status, Section 6(j)(iii) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in Section 6(j)(iii) shall be construed to affect Sections

51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to Section 6(j)(iii).

(v) In contracts entered into by Issuer relating to the sale, transfer, or leasing of land or any interest therein acquired by Issuer within any survey area or redevelopment project, the foregoing provisions in substantially the forms set forth shall be included and the contracts shall further provide that the foregoing provisions shall be binding upon and shall obligate the contracting party or parties and any subcontracting party or parties, or other transferees under the instrument.

(k) *Relocation.* If the Owner's acquisition, rehabilitation and improvement of the Project results in the permanent or temporary displacement of residential tenants, homeowners, or businesses, the Owner shall comply with all applicable local, state and federal statutes and regulations with respect to relocation planning, advisory assistance, and payment of monetary benefits. The Owner shall be solely responsible for payment of any relocation benefits to any displaced persons and any other obligations associated with complying with said relocation laws. The Owner hereby agrees to indemnify the Issuer and the City of Los Angeles from and against, any and all claims and liabilities for relocation benefits in connection with development of the Project.

(l) *Business Tax Registration Certificate.* Solely to the extent applicable to it, and subject to any exemptions available to it, the Owner represents that it has obtained and presently holds such Business Tax Registration Certificate(s) as are required by the City's Business Tax Ordinance (Article 1, Chapter 2, Section 21.00 and following, of the Los Angeles Municipal Code). Solely to the extent applicable to it and subject to any exemptions available to it, for the term covered by this Regulatory Agreement, the Owner shall maintain, or obtain as necessary, all such Business Tax Registration Certificates required of it under said Ordinance and shall not allow any such Business Tax Registration Certificate to be revoked or suspended.

(m) *Child Support Assignment Orders.* The Owner hereby agrees to comply with all applicable State and federal employment reporting requirements relative to its employees. The Owner hereby certifies that, to the best of its knowledge, it is fully complying with the Earnings Assignment Orders of all employees and that it will comply with and implement all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment. The parties hereto agree and acknowledge that this provision is intended to comply with the provisions of Section 10.10(b) of the Los Angeles Administrative Code, and the parties hereto agree to provide such certification in form and substance attached as EXHIBIT G hereto.

(n) *Americans with Disabilities Act.* The Owner shall be in full compliance with all federal and state laws applicable to the Project, including those of the Americans with Disabilities Act ("ADA"), 42 U.S.C. 12101 et seq., and its implementing regulations. Under the ADA, the Owner shall provide for reasonable accommodations to allow qualified individuals access to and participation in their programs, services and

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activities. In addition, the Owner shall not discriminate against individuals with disabilities ~~nor against persons due to their relationship or association with a person with~~ a disability. Firms granted sub awards (i.e. subcontractors, sub grants, contracts under loans, etc.) shall comply with the ADA and certify and disclose accordingly. The Owner shall provide certificates attesting to compliance with the provisions of this subsection in form and substance attached as EXHIBIT H hereto.

(o) Any of the foregoing requirements of the Issuer (except (f) above which may be expressly waived by CDLAC in its sole discretion) may be expressly waived by the Issuer, in its sole discretion, in writing, but (i) no waiver by the Issuer of any requirement of this Section 6 shall, or shall be deemed to, extend to or affect any other provision of this Regulatory Agreement except to the extent the Issuer has received an opinion of Bond Counsel that any such provision is not required by the Act and may be waived without adversely affecting the exclusion from gross income of interest on the Bonds for federal income tax purposes; and (ii) any requirement of this Section 6 shall be void and of no force and effect if the Issuer and the Owner receive a written opinion of Bond Counsel to the effect that compliance with any such requirement would cause interest on the Bonds to cease to be Tax-Exempt or to the effect that compliance with such requirement would be in conflict with the Act or any other state or federal law.

(p) Residential tenants who are not required to move permanently, but are required to relocate temporarily, due to rehabilitation of the Project shall be provided (i) reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporarily occupied housing and any increase in monthly rent or utility costs such housing, and (ii) appropriate advisory services, including reasonable advance written notice of (A) the date and approximate duration of the temporary relocation, (B) the address of suitable, decent, safe and sanitary dwelling to be made available for the temporary period, (C) the terms and conditions under which the tenant may lease and occupy a suitable, decent, safe and sanitary dwelling in the Project upon completion of the rehabilitation, and (D) the provision of the reimbursement described in subsection (i) of this paragraph.

Section 7. Further Issuer Requirements. All parties to this agreement hereby agree and acknowledge that this Section 7 shall, at all times and in all respects, is hereby wholly subordinate and inferior in claim and right to the Deed of Trust, and any and all renewals, modifications, extensions, or advances thereunder or secured thereby (including interest thereon). In the event of a foreclosure or a transfer of title by deed in lieu of foreclosure under the Deed of Trust, this Section 7 shall be terminated automatically and of no further force or effect. The Parties acknowledge that the Project currently benefits from a project based Section 8 rental housing assistance contract with HUD (the "HAP Contract") and that HUD is currently monitoring the affordability, ownership, management and operation of the Project. Subject to Section 14 hereof, in the event that (1) the HAP Contract is terminated or if the federal government fails to authorize funding for the HAP Contract or (2) HUD discontinues its monitoring of the Project and to the extent the provisions of this Section 7 do not conflict with the requirements for maintaining Tax-Exempt Status of the Bonds and Sections 3, 4, 5 or 6 (above), Owner shall comply with the further requirements set forth in this Section 7:

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(a) *Definitions.* The following terms have the meaning and content set forth in this section wherever used in this Section 7 (only):

"Affordable Rent" shall have the appropriate meaning set forth in California Health and Safety Code Section 50053(b) as it may be amended from time to time, which, as of the date hereof, means monthly rent, including a reasonable utility allowance, that does not exceed the following amount for a Moderate Income household, one-twelfth of the product of thirty percent (30%) times one hundred ten percent (110%) of the area median income adjusted for family size appropriate for the unit as determined by HCD.

"Affordable Unit" shall mean any of the dwelling units in the Improvements on the Project required by this Agreement to be rented exclusively to and occupied by persons and families of Low and Moderate Income.

"Area Median Income" shall have the meaning set forth in California Health and Safety Code Section 50093, as amended from time-to-time.

"City" shall mean the City of Los Angeles, California, a municipal corporation, operating through its governing body, the City Council, and its various departments.

"CRA/LA" shall mean The Community Redevelopment CRA/LA of the City of Los Angeles, California, a public body corporate and politic, organized and existing pursuant to the California Community Redevelopment Law (Health and Safety Code Sections 33000 et seq.).

"HCD" shall mean the California Department of Housing and Community Development.

"Improvements" shall mean and include all buildings, structures, fixtures, excavation, parking, landscaping, and other improvements of whatsoever character, located on, around, under or over the Project.

"Low or Moderate Income" shall have the meaning set forth in California Health and Safety Code Section 50093, as it may be amended from time-to-time.

"Low Income" shall have the same meaning as the term "Lower Income" set forth in California Health and Safety Code Section 50079, as it may be amended from time-to-time.

"Low Income Housing Tax Credit" shall mean the tax credit authorized by the Tax Reform Act of 1986 and governed by Section 42 of the Internal Revenue Code.

"Moderate Income" shall have the meaning set forth in California Health and Safety Code Section 50093, as it may be amended from time-to-time.

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"Ownership or Control" shall mean, without limitation, any voting rights and any beneficial ownership with respect to all classes of stock, interests in partnerships and/or limited liability companies, and/or beneficial interests under a trust, as may be applicable to the type of entity in question. In the case of a trust, such term shall also include the rights of the trustee as well as the beneficiary.

"Tax Credit Equity Investor" shall mean any Person who will be an investor member in Owner's limited liability company or partnership and who will purchase the Low Income Housing Tax Credit and own a 99.99% interest in Owner.

(b) *Agreement Regarding Use of Project.* Owner, on behalf of itself and its successors, assigns, and each successor in interest to Owner's interest in the Project or any part thereof, hereby covenants and agrees to use the Project only for the uses permitted in this Regulatory Agreement, specifically including the following:

(i) Rehabilitation and Use. The Project shall be rehabilitated and used for multi-family residential rental uses, consisting of 332 dwelling units, which shall include 332 one-bedroom units (the "Units"), with landscaping and related amenities, and a parking structure providing parking stalls for 0 vehicles, all as described in the Scope of Rehabilitation attached to the Thirteenth Implementation Agreement. With the exception of 2 manager's Units, all of the Units (the "Affordable Units") shall be rented at an Affordable Rent to persons of Moderate Income (as those terms are defined below), in accordance with this Agreement. All Affordable Units shall be leased, occupied and not withdrawn from the market. Owner shall not convert the Affordable Units to condominium or cooperative ownership or sell condominium or cooperative conversion rights to the Affordable Units during the term of this Agreement.

(ii) Income Restrictions. All of the Affordable Units shall be rented to and occupied exclusively by persons of Moderate Income. The maximum incomes of residential tenants eligible to rent the Affordable Units shall be determined on the basis of the area median income for Los Angeles, determined annually by the U.S. Department of Housing and Urban Development and published by the California Department of Housing and Community Development ("HCD").

(iii) Rent Restrictions. Owner shall not charge rents in excess of the amounts set forth in EXHIBIT I, adjusted by the percent change in the area median income figure for Los Angeles County, as determined by HCD. Owner may increase rents for the Affordable Units not more than annually, subject to any applicable rent control ordinance then in effect, but in no event shall Owner charge rents in excess of the following:

(A) Rent, including a reasonable utility allowance, for Moderate Income tenants whose incomes exceed 80% but do not exceed 120% of the Area Median Income, shall not exceed one-twelfth (1/12)

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times the product of 30% times 110% of the area median income, adjusted for family size appropriate for the Unit, as determined by HCD.

(iv) Most Restrictive Affordability Provisions Shall Prevail. The Parties acknowledge and agree that the Project is being financed through the Bonds and Low Income Housing Tax Credits and the Owner covenants and agrees that, notwithstanding the preceding paragraphs, the owner shall operate and lease the Affordable Units in the project to tenants meeting the most restrictive of the affordability levels set forth in Sections 4, 5, 6 and 7 of this Regulatory Agreement at the most restrictive rent levels set forth in such sections.

(c) *Leasing Priorities.* Owner agrees that among Low and Moderate Income households who are otherwise eligible to rent the Affordable Units to be rehabilitated pursuant to the Implementation Agreement, those persons who have been displaced by any redevelopment project within the City of Los Angeles shall be given first priority over other eligible persons. After displaces, the households in any one or more of the following categories shall be given priority in the selection for occupancy of the Affordable Units: (1) those paying more than 50% of their income for housing; (2) those living in overcrowded or seriously substandard conditions, especially housing which has been cited by the City for health and safety code violations; (3) those in danger of imminent displacement as a result of Issuer action in cases where the property owners agree not to re-rent the unit; and (4) homeless households. Thereafter, occupancy shall be provided as set forth in an affirmative marketing plan required for the Affordable Units. Owner agrees that prior to the initial rent-up of the Affordable Units, Owner shall consult with and obtain the approval of the CRA/LA in developing an affirmative marketing plan for renting the Affordable Units. Owner and CRA/LA shall cooperate to effectuate this subsection 7(c) prior to the initial renting, and upon occurrence of any vacancy and the re-renting of any Affordable Units. Owner shall hold Affordable Units vacant for the relocation of otherwise eligible persons entitled to preference pursuant to this subsection 7(c), upon CRA/LA's request, as long as CRA/LA pays Owner an amount equal to the lost rent less any savings realized by Owner during such holding period. Owner shall accept any CRA/LA displacee of other persons entitled to preference pursuant to this subsection who meets Owner's then current tenant selection criteria. If a person referred to Owner by CRA/LA is rejected for tenancy, Owner shall specify in writing to CRA/LA which of the selection criteria the tenant failed to meet. During the initial rent-up and from time to time thereafter, CRA/LA shall provide to Owner a list of such persons entitled to priority.

(d) *Monitoring, Reporting and Enforcement.* Issuer and its successors and assigns shall have the right to monitor and enforce the covenants contained in this Regulatory Agreement. Owner covenants that it shall comply with any monitoring program set up by Issuer to enforce said covenants. In complying with such monitoring program, Owner or its agent shall prepare and submit to Issuer for each Affordable Unit, annually not later than thirty days after the end of each calendar year, an occupancy summary report in such form as may be required by Issuer, showing the present occupants, rent, unit type, household size, income at the time of initial occupancy, income certification information, move-in date and, if applicable, move-out date. To the

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extent not otherwise included in such occupancy summary report, Owner shall also submit the information required by California Health and Safety Code Section 33418, including an occupancy report, financial information and income verification documents for each tenant of an Affordable Unit, and all supporting documentation, on forms provided by Owner.

(e) *Prohibition against renting to persons with a relationship to Owner.* Except for resident managers occupying a manager's Unit, no person having any Ownership or Control of Owner or any of Owner's partners, and no officer, employee, agent, official or consultant of Owner or anyone having any Ownership or Control of Owner or any of Owner's partners, may occupy any of the Affordable Units.

(f) *Inspection and Records.* Owner shall maintain records which clearly document Owner's performance of its obligations pursuant to this Regulatory Agreement. Owner shall submit any records to Issuer within ten (10) business days of written request. Owner shall permit representatives of Issuer to enter and inspect the Project upon 24 hours' advance notice to Owner or the Management Agent, or such other notice as may be required by law. Owner's leases or rental agreements with tenants of the Affordable Units shall also provide for entry into the Affordable Units for periodic health and safety inspections.

(g) *Maintenance.* Owner, its successors and assigns, shall maintain the Improvements on the Project in decent, safe, sanitary and habitable condition, which shall be at least the same aesthetic and sound condition (or better) as the condition of the Project at the time Owner completes the rehabilitation pursuant to the Thirteenth Implementation Agreement, reasonable wear and tear excepted. This standard for the quality of maintenance of the Project shall be met whether or not a specific item of maintenance is listed below. However, representative items of maintenance shall include frequent and regular inspection for graffiti or damage or deterioration or failure, and immediate repainting or repair or replacement of all surfaces, fencing, walls, equipment, etc., as necessary; emptying of trash receptacles and removal of litter; sweeping of public sidewalks adjacent to the Project, on-site walks and paved areas and washing-down as necessary to maintain clean surfaces; maintenance of all landscaping in a healthy and attractive condition, including trimming, fertilizing and replacing vegetation as necessary; cleaning windows on a regular basis; painting the buildings on a regular program and prior to the deterioration of the painted surfaces; conducting a roof inspection on a regular basis and maintaining the roof in a leak-free and weather-tight condition; maintaining security devices in good working order. In addition, Owner shall not commit or permit waste on or to the Project, and shall prevent and/or rectify any physical deterioration of the Project; Owner shall provide adequate ongoing security equipment or services for tenants of the Affordable Units. Owner shall maintain the Project in conformance with all applicable federal, state and local laws, ordinances, codes and regulations, and the Management Plan required by this Agreement. In the event Owner, its successors or assigns fails to maintain the Improvements in accordance with the standard for the quality of maintenance, Issuer or its designee shall have the right but not the obligation to enter the Project upon reasonable notice to Owner, correct any violation, and hold Owner, or such successors or assigns responsible for the cost thereof,

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and such cost, until paid, shall constitute a lien on the Project. Notwithstanding the foregoing, (i) in the event that Issuer shall determine that specified items of repair or maintenance are required in respect of the Project pursuant to the this Agreement, Issuer, shall provide written notice of such determination to Bondholder Representative, and (ii) Bondholder Representative and Issuer shall cooperate, in good faith and with reasonable dispatch, to establish and implement a mutually acceptable procedure for addressing the specified items of repair or maintenance, it being understood and agreed, however, that (A) any right of the Issuer to enter onto the Project and to undertake or cause repairs or maintenance to be performed in respect of the Project shall, in each instance, be subject to the prior written consent of Bondholder Representative; and (B) the Bondholder Representative shall not withhold its consent with respect to repairs or maintenance which is requested of the Owner in order to bring the Project into conformance with applicable law following receipt of notice of noncompliance from any federal, state or local enforcement authority having jurisdiction.

(h) *Management.* Owner shall operate and maintain the Project in accordance with the Management Requirements set forth in EXHIBIT J, attached to this Regulatory Agreement and incorporated herein by reference, and provide for the operation of the Project in a manner satisfactory to the Issuer pursuant to the Management Plan (defined below). Not later than thirty (30) days prior to close of escrow for purchase of the Project and Improvements, Owner shall submit to the Issuer for approval or disapproval a plan for marketing and managing the Affordable Units (the "Management Plan"). Thereafter, Owner, its successors and assigns, shall manage the Affordable Units in accordance with the Management Plan approved by Issuer's Chief Executive Officer or designee. The Management Plan, including such amendments as may be approved in writing by the Issuer's Chief Executive Officer or designee, shall remain in effect for the term of this Agreement. The Management Plan shall contain the following components:

(i) *Management Agent.* Owner shall be responsible for the operation of the Improvements either by direct management or by contracting its managerial functions to a third party property manager or agent (the "Management Agent") which Management Agent will be charged with managing the Improvements on behalf of the Owner. The Issuer shall have the right, but not the obligation, to review and approve or disapprove the name and qualifications of the Management Agent. Such approval shall not be unreasonably withheld. Issuer shall have no responsibility for the management of the Project.

(ii) *Affirmative Marketing Plan.* On a form provided by Issuer, Owner shall submit a plan for attracting to the Affordable Units tenants from those ethnic and racial groups least likely to reside in the Affordable Units in the absence of outreach efforts and providing a method to insure a fair method of selecting tenants. Owner shall be responsible for implementing the approved plan at initial marketing of the Affordable Units and upon any vacancy.

(iii) *Management Program.* On a form provided by Issuer, Owner or its Management Agent shall describe the proposed management, maintenance,

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tenant selection and occupancy policies and procedures for the Affordable Units. Such policies and procedures shall be consistent with this Agreement. The Owner shall not apply selection criteria which preclude tenants whose income is less than the maximum allowed income, and shall not discriminate in the rental of Affordable Units among Low and Moderate Income applicants for tenancy who otherwise qualify for occupancy, for the sole reason of the income of such applicant.

(iv) *Management Agreement.* Owner shall submit a copy of the proposed property management agreement specifying the amount of the management fee and the relationship and division of responsibilities between Owner and the Management Agent. Owner shall change management practices or replace its Management Agent if Issuer gives Owner notice that the Affordable Units are not being managed in accordance with this Agreement or if the Management Agent violates any federal, state or local health and safety laws and regulations which are not cured within thirty (30) days following the giving of notice of such violations by the Issuer or any other governmental entity; provided, however, that in the case of a violation that cannot be cured within such thirty (30) day period, that such cure shall be commenced within thirty (30) days of notification and shall be diligently prosecuted to completion. The property management agreement shall provide that it is subject to termination by Owner, without penalty, upon thirty (30) days prior written notice, at the direction of Issuer. Within ten (10) days following direction from Issuer to replace the Management Agent, Owner shall select another management agent or make other arrangement satisfactory to Issuer for continuing management of the Affordable Units. Notwithstanding any provision of this Agreement to the contrary, (i) any right of the Issuer to remove, or cause to be removed, the Owner's managing agent in respect of the Project, or to require changes to the management plan or management agreement in respect of the Project shall, in each instance, be subject to the prior written consent of Bondholder Representative, and (ii) in no event shall any managing agent in respect of the Project be terminated unless and until a replacement managing agent acceptable to Owner, Issuer and Bondholder Representative has been engaged by Owner (pursuant to a management agreement acceptable to Owner, Issuer and Bondholder Representative). Approval or consent under this subsection shall not be unreasonably withheld, conditioned or delayed.

(v) *Tenant Lease or Rental Agreement.* Owner shall submit a copy of the proposed tenant lease or rental agreement to be used in renting the Affordable Units.

(vi) *Annual Budget.* Annually, not later than ninety (90) days prior to the beginning of each fiscal year, Owner shall submit a projected operating budget to Issuer. The budget shall be in a form that is acceptable to Issuer.

(vii) *Parking Management Plan.* Owner shall allocate residential parking spaces on the Project among the Affordable Units in accordance with a parking management plan to be included with the Management Plan. Tenants of

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the Affordable Units shall not be charged for parking space(s) in the Improvements.

(viii) *Tenant Selection.* Before leasing the Affordable Units, Owner shall provide to Issuer for its approval or disapproval Owner's written tenant selection plan, which, subject to the priorities set forth in Section 7(c) of this Agreement, shall provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as it is practicable. Any selection criteria shall be consistent with the purpose of providing housing for persons and families of low and moderate income and shall be reasonably related to program eligibility and the applicant's ability to perform the obligations of the lease. Owner shall give prompt written notification to any rejected applicant of the grounds for any rejection.

(ix) *Tenant Eligibility Review.* Not later than ten (10) business days prior to the tenant's expected date of occupancy of an Affordable Unit, Owner shall determine the income eligibility of each tenant household pursuant to Issuer's approved tenant certification procedures and submit satisfactory documentation to Issuer for review and approval prior to the household's occupancy of an Affordable Unit. Owner shall certify each tenant's household income on an annual basis.

(x) *Occupancy Standards.* Occupancy standards shall be applied in the leasing of the Affordable Units. These occupancy standards determine the minimum and maximum number of persons who may reside in an Affordable Unit. Deviations from these standards may be allowed only with the prior written approval of the Issuer Chief Executive Officer. The following standards shall apply to the Affordable Units:

<u>Unit Type</u>	<u>Minimum Number</u>	<u>Maximum Number</u>
One-bedroom	1	2

Section 8. Tax-Exempt Status of Bonds. The Owner and the Issuer, as applicable, each hereby represents, warrants and agrees as follows:

(a) The Issuer will not knowingly take, or knowingly permit to be taken on its behalf, any action that would cause the interest payable on the Bonds to cease to be excludable for federal income purposes under Section 103 of the Code from the gross incomes of the owners of the Bonds, and it will take such action as may be necessary in the written opinion of Bond Counsel to continue such exclusion from gross income.

(b) The Owner and the Issuer will file of record such documents and take such other steps as are necessary, in the written opinion of Bond Counsel filed with the Issuer and the Trustee, in order to insure that the requirements and restrictions of this Regulatory Agreement will be binding upon all owners of the Project, including, but not

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limited to, the execution and recordation of this Regulatory Agreement in the office of the County Recorder of Los Angeles County, California.

(c) The Owner and any related person (as defined in Section 147(a)(2) of the Code) thereto shall not acquire any Bonds in an amount related to the amount of the Loan.

Section 9. Modification of Covenants. The Owner, the Trustee and the Issuer hereby agree as follows:

(a) To the extent any amendments to the Act, the Regulations or the Code shall, in the written opinion of Bond Counsel filed with the Issuer, the Trustee, the Bondholder Representative and the Owner, retroactively impose requirements upon the ownership or operation of the Project more restrictive than those imposed by this Regulatory Agreement and compliance therewith is necessary to maintain the validity of, or Tax-Exempt status of the interest on, the Bonds, and if such requirements are applicable to the Project, this Regulatory Agreement shall be deemed to be automatically amended to impose such additional or more restrictive requirements.

(b) To the extent that the Act, the Regulations or the Code, or any amendments thereto, shall, in the written opinion of Bond Counsel filed with the Issuer, the Trustee, the Bondholder Representative and the Owner, impose requirements upon the ownership or operation of the Project less restrictive than imposed by this Regulatory Agreement, this Regulatory Agreement may be amended or modified to provide such less restrictive requirements but only by written amendment signed by the Issuer, at its sole discretion, the Trustee, the Bondholder Representative and the Owner, and only upon receipt by the Issuer of the written opinion of Bond Counsel to the effect that such amendment will not affect the Tax-Exempt status of interest on the Bonds or violate the requirements of the Act, and otherwise in accordance with Section 23 hereof.

(c) The Owner, the Issuer and, if applicable, the Trustee, shall execute, deliver and, if applicable, file of record any and all documents and instruments necessary to effectuate the intent of this Section 9, and each of the Owner and the Issuer hereby appoints the Trustee as its true and lawful attorney-in-fact to execute, deliver and, if applicable, file of record on behalf of the Owner or the Issuer, as is applicable, any such document or instrument (in such form as may be approved in writing by Bond Counsel) if either the Owner or the Issuer defaults in the performance of its obligations under this Subsection 9(c); *provided, however*, that unless directed in writing by the Issuer or the Owner, the Trustee shall take no action under this Subsection 9(c) without first notifying the Owner or the Issuer, or both of them, as is applicable, and without first providing the Owner or the Issuer, or both, as is applicable, an opportunity to comply with the requirements of this Section 9. Nothing in this Subsection 9(c) shall be construed to allow the Trustee to execute an amendment to this Regulatory Agreement on behalf of the Issuer or the Owner.

Section 10. Indemnification; Other Payments. The Owner hereby covenants and agrees that it shall indemnify and hold harmless the Issuer, the Administrator, the

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Bondholder Representative and the Trustee and their respective officers, directors, officials, employees and agents as set forth in the Loan Agreement (notwithstanding any future termination of the Loan Agreement). In addition thereto, the Owner will pay upon demand all of the fees and expenses paid or incurred by the Trustee and the Issuer in enforcing the provisions hereof, as more fully set forth in the Loan Agreement. The provisions of this Section 10 shall survive the term of the Bonds, the Loan Agreement and this Regulatory Agreement or, with respect to the Trustee, its resignation or removal.

Notwithstanding the foregoing, the provisions of this Section shall, in the case of the Trustee, survive the termination of this Regulatory Agreement or the replacement of the Trustee, but only as to claims arising from events occurring during the term of this Regulatory Agreement or the Trustee's tenure as Trustee under the Indenture, and shall, in the case of the Issuer, survive the term of this Regulatory Agreement, but only as to claims arising from events occurring during the term of this Regulatory Agreement.

Section 11. Consideration. The Issuer has agreed to issue the Bonds to provide funds to lend to the Owner to finance the acquisition, rehabilitation and equipping of the Project, all for the purpose, among others, of inducing the Owner to acquire, rehabilitate, equip and operate the Project. In consideration of the issuance of the Bonds by the Issuer, the Owner has entered into this Regulatory Agreement and has agreed to restrict the uses to which this Project can be put on the terms and conditions set forth herein.

Section 12. Reliance. The Issuer and the Owner hereby recognize and agree that the representations and covenants set forth herein may be relied upon by all persons interested in the legality and validity of the Bonds, in the Tax-Exempt status of the interest on the Bonds. In performing their duties and obligations hereunder, the Issuer and the Trustee may rely upon statements and certificates of the Low Income Tenants and Very Low Income Tenants, and upon audits of the books and records of the Owner pertaining to the Project. In addition, the Issuer and the Trustee may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Issuer or the Trustee hereunder in good faith and in conformity with such opinion. In determining whether any default or lack of compliance by the Owner exists under this Regulatory Agreement, the Trustee shall not be required to conduct any investigation into or review of the operations or records of the Owner and may rely solely on any written notice or certificate delivered to the Trustee by the Owner or the Issuer with respect to the occurrence or absence of a default unless it knows that the notice or certificate is erroneous or misleading.

Section 13. Sale or Transfer of the Project. Subject to Section 14 hereof, for the Qualified Project Period, the Owner shall not, except as provided below, sell, transfer or otherwise dispose of the Project, in whole or in part, without the prior written consent of the Issuer, which consent shall not be unreasonably withheld or delayed if the following conditions are satisfied: (A) the receipt by the Issuer of evidence acceptable to the Issuer that (1) the Owner shall not be in default hereunder or under the Loan Agreement (which may be evidenced by a Certificate of Continuing Program Compliance) or the purchaser or assignee undertakes to cure any defaults of the Owner to the reasonable satisfaction of the Issuer; (2) the continued operation of the Project shall comply with the provisions of this Regulatory Agreement (3) either (a) the purchaser or assignee or its property manager has at least three years' experience in the

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ownership, operation and management of similar rental housing projects, and at least one year's experience in the ownership, operation and management of rental housing projects containing below-market-rate units, without any record of material violations of discrimination restrictions or other state or federal laws or regulations or local governmental requirements applicable to such projects, or (b) the purchaser or assignee agrees to retain a property management firm with the experience and record described in subclause (a) above, or (c) the transferring Owner or its management company will continue to manage the Project for at least one year following such transfer and during such period will provide training to the transferee and its manager in the responsibilities relating to the Low Income Units and the Very Low Income Units; and (4) the person or entity which is to acquire the Project does not have pending against it, and does not have a history of significant and material building code violations or complaints concerning the maintenance, upkeep, operation, and regulatory agreement compliance of any of its projects as identified by any local, state or federal regulatory agencies; (B) the execution by the purchaser or assignee of any document reasonably requested by the Issuer or the Trustee with respect to the assumption of the Owner's obligations under this Regulatory Agreement and the Loan Agreement, including without limitation an instrument of assumption hereof, and delivery to the Issuer of an opinion of such purchaser or assignee's counsel to the effect that each such document and this Regulatory Agreement are valid, binding and enforceable obligations of such purchaser or assignee, subject to bankruptcy and other standard limitations affecting creditor's rights; (C) receipt by the Issuer of an opinion of Bond Counsel addressed to the Issuer to the effect that any such sale, transfer or other disposition will not adversely affect the Tax-Exempt status of interest on the Bonds; and (D) receipt by the Issuer and Trustee of all fees and/or expenses then currently due and payable to the Issuer and Trustee; *provided* that, the foregoing notwithstanding, the Project may be transferred (i) pursuant to foreclosure, exercise of the power of sale or deed in lieu thereof, (ii) to the Trustee or to the Bondholder Representative pursuant to a foreclosure or by deed in lieu of foreclosure under the Deed of Trust or the other Loan Documents without the consent of the Issuer, (iii) to the first transferee following such foreclosure or transfer by deed in lieu of foreclosure, without the consent of the Issuer, if the requirements set forth in clauses (B) through (D) above are satisfied, and (iv) following notice to the Issuer, to any or all of the Owner's partners pursuant to any buy/sell option or right of first refusal contained in or ancillary to the Partnership Agreement. It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section 13 shall be null, void and without effect, shall cause a reversion of title to the Owner, and shall be ineffective to relieve the Owner of its obligations under this Regulatory Agreement. The written consent of the Issuer to any transfer of the Project shall constitute conclusive evidence that the transfer is not in violation of this Section 13. Nothing in this Section shall affect any provision of any other document or instrument between the Owner and any other party which requires the Owner to obtain the prior written consent of such other party in order to sell, transfer or otherwise dispose of the Project. Upon the sale or other transfer that complies with this Regulatory Agreement, the Owner shall be fully released from its obligations hereunder to the extent such obligations have been fully assumed in writing by the transferee of the Project. Except as otherwise provided herein, any transfer of the Project to any entity, whether or not affiliated with the Owner, shall be subject to the provisions of this Section 13, except that no consent of the Issuer shall be required in the case of any transfer of the Project to a wholly-owned subsidiary or related entity of the Owner.

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For the Qualified Project Period, the Owner shall not: (1) permit the transfer of any part of the Project, except pursuant to the provisions of this Regulatory Agreement, the Loan Agreement, the Deed of Trust or the other Loan Documents (and upon receipt by the Issuer and the Trustee of an opinion of Bond Counsel that such action will not adversely affect the Tax-Exempt status of interest on the Bonds; *provided* that such opinion will not be required with respect to any transfer relating to a commercial operation or ancillary facility that will be available for tenant use and is customary to the operation of multifamily rental housing developments similar to the Project or otherwise is not inconsistent with the use of the Project as a multifamily rental housing development), except pursuant to the Deed of Trust or the other Loan Documents, or except upon a sale, transfer or other disposition of the Project in accordance with the terms of this Regulatory Agreement; (2) demolish any part of the Project, except such demolition to the extent that what is removed is replaced with comparable property; or (3) permit the use of the dwelling accommodations of the Project for any purpose except rental residences.

The sale and transfer of limited partnership interests in the Owner and the sale and transfer of interests within the limited partners of Owner are expressly excluded from the provisions of this Section 13; provided that the Owner shall notify the Issuer in writing of any such sale or transfer. The transfer of general partnership interests pursuant to the Owner's agreement of limited partnership are expressly excluded from the provisions of this Section 13; the limited partner of the Owner shall be permitted to remove the general partner thereof for cause and without consent of the Issuer; provided, however, the Owner shall notify the Issuer in writing of any such removal.

Section 14. Term. This Regulatory Agreement and all and several of the terms hereof shall become effective upon its execution and delivery, and shall remain in full force and effect for the period provided herein and shall terminate as to any provision not otherwise provided with a specific termination date and shall terminate in its entirety at the end of the Qualified Project Period, it being expressly agreed and understood that the provisions hereof are intended to survive the retirement, maturity or redemption of the Bonds and discharge of the Indenture, the Loan Agreement and the Loan.

The terms of this Regulatory Agreement to the contrary notwithstanding and notwithstanding the Qualified Project Period, the requirements of this Regulatory Agreement shall terminate and be of no further force and effect in the event of:

(a) involuntary noncompliance with the provisions of this Regulatory Agreement caused by fire, seizure, requisition, change in a federal law or an action of a federal agency after the Closing Date which prevents the Issuer and the Trustee from enforcing such provisions;

(b) condemnation or a similar event, but only if, within a reasonable period, either the Bonds are retired or amounts received as a consequence of such event are used to provide a project which meets the requirements hereof;

(c) after October 15, 2024, and if the Project no longer receives the project based Section 8 rental housing assistance required pursuant to the HAP Contract or an equivalent project based subsidy under a successor federal housing program, foreclosure, transfer of title by

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deed in lieu of foreclosure or similar event, but only if, within a reasonable period, the Bonds are retired;

provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained herein shall be reinstated if, at any time subsequent to the termination of such provisions as the result of such event, the Owner or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for federal income tax purposes.

Notwithstanding any other provision of this Regulatory Agreement, but without limiting the generality of the provisions set forth in the immediately preceding paragraph, this Regulatory Agreement may be terminated upon agreement by the Issuer, the Trustee and the Owner only if there shall have been received by the Issuer and the Trustee of an opinion of Bond Counsel to the effect that such termination will not adversely affect the exclusion from gross income of interest for federal income tax purposes or the exemption from State personal income taxation of the interest on the Bonds. Upon the termination of the terms of this Regulatory Agreement, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof; *provided, however,* that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Regulatory Agreement in accordance with its terms.

Section 15. Covenants to Run With the Land. Notwithstanding Section 1461 of the California Civil Code, the Owner hereby subjects the Project to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The Issuer, the Trustee and the Owner hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Owner's successors in title to the Project; *provided, however,* that on the termination of this Regulatory Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

Section 16. Burden and Benefit. The Issuer, the Trustee and the Owner hereby declare their understanding and intent that the burdens of the covenants set forth herein touch and concern the land in that the Owner's legal interest in the Project is rendered less valuable thereby. The Issuer, the Trustee and the Owner hereby further declare their understanding and intent that the benefits of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Project by Low Income Tenants and Very Low Income Tenants, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Bonds were issued.

Section 17. Uniformity; Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project in order to establish and carry out a common plan for the use of the site on which the Project is located.

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Section 18. Default; Enforcement. If the Owner defaults in the performance or observance of any material covenant, agreement or obligation of the Owner set forth in this Regulatory Agreement, and if such default remains uncured for a period of 60 days after notice thereof shall have been given by the Issuer or the Trustee to the Owner, then the Issuer or the Trustee (as directed by the Issuer, subject to the provisions of the Indenture) acting on its own behalf or on behalf of the Issuer, shall declare an "Event of Default" to have occurred hereunder; *provided, however*, that if the default is of such a nature that it cannot be corrected within 60 days, such default shall not constitute an Event of Default hereunder so long as (i) the Owner institutes corrective action within said 60 days and diligently pursues such action until the default is corrected, and (ii) in the opinion of Bond Counsel delivered to the Issuer, the failure to cure said default within 60 days will not adversely affect the Tax-Exempt status of interest on the Bonds. The Issuer and the Trustee shall have the right to enforce the obligations of the Owner under this Regulatory Agreement within shorter periods of time than are otherwise provided herein if necessary to insure compliance with the Act, the Housing Act or the Code, *provided* that Issuer and Trustee shall give Owner reasonable prior notice of such shorter time periods and in all events, provide Owner with a reasonable period of time to cure such default. Following the declaration of an Event of Default hereunder the Issuer, or the Trustee at the direction of the Issuer, subject to the provisions of the Indenture, may take any one or more of the following steps, in addition to all other remedies provided by law or equity:

(a) by mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Owner to perform its obligations and covenants hereunder or enjoin any acts or things that may be unlawful or in violation of the rights of the Issuer or the Trustee hereunder;

(b) have access to and inspect, examine and make copies of all of the books and records of the Owner pertaining to the Project, *provided* the Issuer and or the Trustee shall keep all information contained within such books and records strictly confidential except to the extent the same is required to be disclosed by court order;

(c) require the Owner to pay to the Issuer an amount equal to the excess rent or other amounts received by the Owner for any units in the Project which were in violation of this Regulatory Agreement during the period such violation continued (which payment shall not reduce the amount due under the Loan), for remittance by the Issuer to the tenants who were charged said excess rent;

(d) take such other action at law or in equity as may be necessary or desirable to enforce the obligations, covenants and agreements of the Owner hereunder, and

(e) declare a default under the Loan Agreement and proceed with any remedies provided therein.

The Owner hereby agrees that specific enforcement of the Owner's agreements contained herein is the only means by which the Issuer may fully obtain the benefits of such agreements made by the Owner herein, and the Owner therefore agrees to the imposition of the remedy of specific performance against it in the case of any Event of Default by the Owner hereunder.

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The Trustee shall have the right, in accordance with this Section and the provisions of the Indenture, without the consent or approval of the Issuer, to exercise any or all of the rights or remedies of the Issuer hereunder; *provided* that prior to taking any such action the Trustee shall give the Issuer written notice of its intended action. After the Indenture has been discharged, the Issuer may act on its own behalf to declare an Event of Default to have occurred and to take any one or more of the steps specified hereinabove to the same extent and with the same effect as if taken by the Trustee.

All reasonable fees, costs and expenses of the Trustee and the Issuer incurred in taking any action pursuant to this Section shall be the sole responsibility of the Owner; *provided, however*, that in the event that any action arises hereunder in which the Owner and the Trustee are adversaries, the prevailing party, if any, shall be entitled to recover reasonable legal fees from the other party.

No breach or default under this Regulatory Agreement shall defeat or render invalid any deed of trust, mortgage or like encumbrance upon the Project or any portion thereof given in good faith and for value.

The Trustee shall not be deemed to have knowledge of any default hereunder unless the Trustee shall have been specifically notified in writing of such default by the Issuer, the Administrator or by the owners of at least 25% of the Bonds outstanding.

Promptly upon determining that a violation of this Regulatory Agreement has occurred, the Issuer or the Trustee shall, by notice in writing to the Bondholder Representative, inform the Bondholder Representative that such violation has occurred, the nature of the violation and that the violation has been cured or has not been cured, but is curable within a reasonable period of time, or is incurable.

Notwithstanding anything herein to the contrary, the occurrence of an Event of Default under this Regulatory Agreement shall not be deemed, under any circumstances whatsoever, to be a default under the Loan Documents except as may be directed by the Bondholder Representative. The parties hereto agree that the maturity date of the Deed of Trust may be accelerated solely by the Trustee, at the direction of the Bondholder Representative. Neither the Issuer nor the Trustee, or any other person acting on behalf of either of them, shall, without the prior written consent of the Bondholder Representative, exercise any remedies or direct any proceedings under this Regulatory Agreement, other than to (i) enforce specific performance of this Regulatory Agreement or (ii) enforce the right to payment of expenses and indemnification and the payment of any fines or penalties under Section 7(h) herein with respect to prevailing wage requirements, provided, however, that no enforcement under this Regulatory Agreement shall include seeking monetary damages or remedies under the Deed of Trust or otherwise against the Project except with the consent of the Bondholder Representative.

Section 19. The Trustee. The Trustee shall act as specifically provided herein and in the Indenture and may exercise such additional powers as are reasonably incidental hereto and thereto. The Trustee shall have no duty to act with respect to enforcement of the Owner's performance hereunder as described in Section 18 unless it shall have knowledge of any such default as provided in Section 18. The Trustee may act as the agent of and on behalf of the

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Issuer, and any act required to be performed by the Issuer as herein provided shall be deemed taken if such act is performed by the Trustee. In connection with any such performance, the Trustee is acting solely as Trustee under the Indenture and not in its individual capacity, and, except as expressly provided herein, all provisions of the Indenture relating to the rights, privileges, powers and protections of the Trustee shall apply with equal force and effect to all actions taken (or omitted to be taken) by the Trustee in connection with this Regulatory Agreement. Neither the Trustee nor any of its officers, directors or employees shall be liable for any action taken or omitted to be taken by it hereunder or in connection herewith except for its or their own negligence or willful misconduct

The Issuer shall be (or shall cause the Administrator to be) responsible for the monitoring and verifying of compliance by the Owner with the terms of this Regulatory Agreement. The Trustee shall not be responsible for such monitoring and verifying.

After the date on which no Bonds remain outstanding as provided in the Indenture, the Trustee shall no longer have any duties or responsibilities under this Regulatory Agreement and all references to the Trustee in this Regulatory Agreement shall be deemed references to the Issuer.

Section 20. Recording and Filing.

(a) The Owner shall cause this Regulatory Agreement and all amendments and supplements hereto and thereto, to be recorded and filed in the office of the County Recorder of Los Angeles County, California, and in such other places as the Issuer or the Trustee may reasonably request. The Owner shall pay all fees and charges incurred in connection with any such recording.

(b) The Owner and the Issuer will file of record such other documents and take such other steps as are reasonably necessary, in the written opinion of Bond Counsel filed with the Issuer and the Trustee, in order to insure that the requirements and restrictions of this Regulatory Agreement will be binding upon all owners of the Project.

(c) The Owner hereby covenants to include or reference the requirements and restrictions contained in this Regulatory Agreement in any documents transferring any interest in the Project to another person to the end that such transferee has notice of, and is bound by, such restrictions, and, except in the case of a foreclosure, exercise of the power of sale, or comparable involuntary conversion of the Deed of Trust or the other Loan Documents, whereby the Trustee becomes the owner of the Project, to obtain the agreement from any transferee to abide by all requirements and restrictions of this Regulatory Agreement.

Section 21. Payment of Fees. Notwithstanding any prepayment of the Loan and notwithstanding a discharge of the Indenture, the Owner shall continue to pay to the Issuer and the Trustee reasonable compensation for any services rendered by it hereunder and reimbursement for all expenses reasonably incurred by it in connection therewith, and shall continue to pay (or shall prepay to the extent permitted by the Code) the Issuer's annual administrative fees and expenses as set forth herein and in the Loan Agreement.

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The Owner agrees to pay to the Issuer (i) an initial fee of \$25,000, which shall be paid on or before the Closing Date, (ii) the Issuer's annual fee (the "Issuer Fee") in an amount equal to 0.10% of the aggregate principal amount of the Bonds Outstanding, subject to an annual maximum of \$50,000, which amount shall be payable annually, in arrears, commencing on the first anniversary of the Closing Date and continuing throughout the Qualified Project Period, and (iii) within 30 days after receipt of request for payment thereof, all reasonable out-of-pocket expenses of the Issuer (not including salaries and wages of Issuer employees) related to the Bonds, the Project and the financing thereof, including, without limitation, reasonable legal fees and expenses incurred in connection with the interpretation, performance, enforcement or amendment of any documents relating to the Project or the Bonds.

In the event that the principal of and the interest on the Bonds are paid in full and the Indenture is discharged prior to the termination of this Regulatory Agreement (other than by reason of the issuance of refunding bonds or a new issuance of bonds issued by the Issuer), the Owner shall have the option to prepay in a single lump sum the remaining amount of the Issuer Fee payable until the end of the Qualified Project Period, discounted at the rate of interest on the Bonds.

In case any action at law or in equity, including an action for declaratory relief, is brought against the Owner to enforce the provisions of this Regulatory Agreement, the Owner agrees to pay reasonable attorney's fees and other reasonable expenses incurred by the Issuer, the City, the Trustee and/or the Administrator in connection with such action, provided that the Issuer and the City shall pay their own attorneys fees and expenses if the action is instituted by the Issuer or the City and the Owner prevails in the action.

All obligations of the Owner under this Agreement for the payment of the Issuer Fee and all claims or judgments for monetary damages against the Owner occasioned by breach or alleged breach by the Owner of its obligations under this Agreement, shall be unsecured by, and subordinated in priority and right to, payment and in all other respects to the obligations, and liens, rights (including without limitation and the right to payment) and interests arising or created under the Loan Documents.

Section 22. Governing Law. This Regulatory Agreement shall be governed by the laws of the State of California.

Section 23. Amendments; Waivers.

(a) Except as provided in Section 9(a) hereof, this Regulatory Agreement may be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the office of the County Recorder of Los Angeles County, California, and only upon receipt by the Issuer of (i) an opinion from Bond Counsel that such amendment will not adversely affect the Tax-Exempt status of interest on the Bonds and is not contrary to the provisions of the Act, and (ii) the written consent of the Bondholder Representative.

(b) Anything to the contrary contained herein notwithstanding, the Issuer, the Trustee and the Owner hereby agree to amend this Regulatory Agreement to the extent

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required, in the opinion of Bond Counsel, in order that interest on the Bonds remain Tax-Exempt. The parties requesting such amendment shall notify the other parties to this Regulatory Agreement of the proposed amendment, with a copy of such requested amendment to Bond Counsel and a request that such Bond Counsel render to the Issuer an opinion as to the effect of such proposed amendment upon the Tax-Exempt status of interest on the Bonds. This provision shall not be subject to any provision of any other agreement requiring any party hereto to obtain the consent of any other person in order to amend this Regulatory Agreement.

(c) Any waiver of, or consent to, any condition under this Regulatory Agreement must be expressly made in writing.

Section 24. Notices. Any notice required to be given hereunder shall be made in writing and shall be given by personal delivery, overnight delivery, certified or registered mail, postage prepaid, return receipt requested, or by telecopy, in each case at the respective addresses specified in the Indenture, or at such other addresses as may be specified in writing by the parties hereto.

A copy of each notice sent by or to the Owner shall also be sent to the Bondholder Representative and to the manager of the Project at the address provided in the Indenture or otherwise in writing to the foregoing parties; but such copy shall not constitute notice to the Owner, nor shall any failure to send such copy constitute a breach of this Regulatory Agreement or a failure of or defect in notice to the Owner. Unless otherwise specified by the Issuer, the address of the Administrator shall be that of the Issuer. The Issuer, the Administrator, the Bondholder Representative, the Trustee and the Owner may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Notice shall be deemed given on the date evidenced by the postal or courier receipt or other written evidence of delivery or electronic transmission; *provided* that any telecopy or other electronic transmission received by any party after 4:00 p.m., local time of the receiving party, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day.

Section 25. Severability. If any provision of this Regulatory Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

Section 26. Multiple Counterparts. This Regulatory Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 27. Trustee Acting Solely in Such Capacity. In accepting its obligations hereunder, the Trustee acts solely as trustee for the benefit of the Registered Owners of the Bonds, and not in its individual capacity; and the duties, powers, rights and liabilities of the Trustee in acting hereunder shall be subject to the provisions of the Indenture, including, without limitation, Article X of the Indenture.

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Section 28. Compliance by Owner. The Trustee shall not be responsible for ~~monitoring or verifying compliance by the Owner with its obligations under this Regulatory Agreement.~~

Section 29. Limitation on Liability. Notwithstanding the foregoing or any other provision or obligation to the contrary contained in this Regulatory Agreement, (i) the liability of the Owner under this Regulatory Agreement to any person or entity, including but not limited to the Trustee or the Issuer and their successors and assigns, is limited to the Owner's interest in the Project, the Trust Estate, including the amounts held in the funds and accounts created under the Indenture or any rights of the Owner under any guarantees relating to the Project, and such persons and entities shall look exclusively thereto, or to such other security as may from time to time be given for the payment of obligations arising out of this Regulatory Agreement or any other agreement securing the obligations of the Owner under this Regulatory Agreement; and (ii) from and after the date of this Regulatory Agreement, no deficiency or other personal judgment, nor any order or decree of specific performance (other than pertaining to this Regulatory Agreement, any agreement pertaining to any Project or any other agreement securing the Owner's obligations under this Regulatory Agreement), shall be rendered against the Owner, the assets of the Owner (other than the Owner's interest in the Project, this Regulatory Agreement, amounts held in the funds and accounts created under the Indenture, any rights of the Owner under the Indenture or any other documents relating to the Bonds or any rights of the Owner under any guarantees relating to the Project), its partners, successors, transferees or assigns and each of their respective officers, directors, employees, partners, agents, heirs and personal representatives, as the case may be, in any action or proceeding arising out of this Regulatory Agreement and the Indenture or any agreement securing the obligations of the Owner under this Regulatory Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding; provided, however, that the obligations of the Owner hereunder with respect to the payment of expenses of the Issuer and the Trustee, indemnification of the Issuer and the Trustee, and any penalties or fines with respect to prevailing wage requirements shall not be subject to this Section 29 and shall be recourse obligations of the Owner.

Section 30. City and CDLAC as Third-Party Beneficiaries. The City and CDLAC are intended to be and shall each be a third-party beneficiary of this Regulatory Agreement. The City shall have the right (but not the obligation) to enforce, separately or jointly with the Issuer and/or the Trustee or to cause the Issuer or the Trustee to enforce, the terms of this Regulatory Agreement and to pursue an action for specific performance or other available remedy at law or in equity in accordance with and subject to the limitations on the Issuer's rights contained in Section 18 hereof; and CDLAC shall have the right (but not the obligation) to enforce the CDLAC Conditions and to pursue an action for specific performance or other available remedy at law or in equity in accordance with Section 18 hereof, notwithstanding anything in this Section 30 to the contrary, the right of the City and CDLAC to enforce this Regulatory Agreement or the CDLAC Conditions, as applicable, shall be subject to all limitations, terms and conditions otherwise applicable to the enforcement by the Issuer of this Regulatory Agreement, and *provided* that any such action or remedy shall not materially adversely affect the interests and rights of the Bondholders.

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EXHIBIT J

MANAGEMENT RESTRICTIONS

These Housing Management Requirements shall apply to the residential dwelling units to be developed pursuant to the Loan Agreement between the Agency and the Owner. The covenants of the Owner contained herein shall remain in effect for the longest feasible time, but in no event less than fifty-five (55) years. Any capitalized terms not otherwise defined herein shall have the definition ascribed to such terms in the Loan Agreement.

1. Owner and its successors and assigns shall assure that _____ residential units shall be rented exclusively to persons and families of very low, low and moderate income, so that _____ units are rented to persons and families of moderate income (such persons or families having adjusted family income not greater than 120 percent of the area median income), _____ units are rented to persons and families of low income (such persons or families having adjusted family income not greater than 80 percent of the area median income) and/ or to persons and families of very low income (such persons or families having adjusted family income not greater than 50 percent of the area median income), at affordable rents (as set forth in the Table of Income Limits and Base Rents, which is attached to the Loan Agreement as Exhibit _____ and incorporated herein by this reference), and only such households shall be eligible to occupy the units. Area median income levels and project rents are subject to adjustment from time to time as provided in paragraph 2 below). This requirement shall continue in effect for the longest feasible time, but in no event less than fifty-five (55) years.

2. Owner, its successors and assigns shall not charge rents in excess of the amounts set forth in Exhibit _____, adjusted by the percent change in the Area Median Income figure for Los Angeles County, as determined by the United States Department of Housing and Urban Development ("HUD") The Agency Administrator shall notify Owner in writing of changes to the rents set forth in Exhibit. The Owner may increase rents for the dwelling units not more than annually, subject to any applicable rent control ordinance then in effect, but in no event shall rent be greater than the rent permitted by the adjusted rent limits.

3. Owner, its successors and assigns shall provide first priority in the selection of eligible tenants to households displaced by the Agency. Owner and Agency shall cooperate to effectuate this provision prior to the initial renting, or upon occurrence of a vacancy, the re-renting of any dwelling units. Further, the Owner shall hold units vacant for the relocation of otherwise eligible persons displaced by the Agency, upon the Agency's request, as long as the Owner is paid an amount equal to the lost rent less any savings realized by Owner during such holding period, and as long as the hold of units vacant does not violate any restriction imposed upon the Development arising out of the participation of the Development in the Federal Low Income Housing Tax Credit, Century Freeway Housing Program or the Federal Home Loan programs. The Owner shall accept any Agency displacee who meets the Owner's then current tenant selection criteria. If a displacee referred by the Agency to the Development is rejected for tenancy, the Owner shall specify in writing to the Agency which of the selection criteria the tenant failed to meet. During the initial rent-up, and from time to time thereafter, the Agency shall provide to the Owner a list of such persons entitled to priority.

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4. The Owner agrees to submit to the Agency on a annual basis Occupancy Status Report on the Agency's Occupancy Report form. In addition, the Owner agrees to submit to the Agency an Annual Income Certification on no later than January 15th for each year of the Agency loan.

5. Owner covenants and agrees to submit to the Agency an annual report (the "Annual Report") required by Health and Safety Code Section 33418. The Annual Report shall include for each rental unit the rental rate and the income and family size of the occupants. The income information shall be supplied by the tenant in a certified statement on a form provided by the Agency. The Owner shall submit the Annual Report within 30 days of the end of calendar year. The Owner shall provide for the submission of such information in its leases with tenants.

6. Owner, such successors and assigns shall maintain the Improvements, keep the Site free from any accumulation of debris, waste materials or graffiti, and maintain in a healthy condition any landscaping required by the Scope of Development to be planted on the Site.

7. Owner, such successors and assigns shall submit a Management Plan in accordance with the following:

- (a) Not later than the time specified therefore in the Schedule of Performance, Owner shall submit to the Agency Administrator a Management Plan for the Development in a form specified by the Agency and including but not limited to, the components listed below. Approval of the Management Plan must be obtained from the Agency not later than the time established in the Schedule of Performance, Exhibit _____. The Management Plan, including such amendments as may be approved in writing by the Agency Administrator or designee, shall remain in effect for fifty-five (55) years. The Management Plan is critical to the achievement of the Agency's goal to provide affordable housing to low and moderate income households, and no amendment to the Management Plan or any of its components is permitted without the prior written consent of the Agency Administrator or designee. The components of the Management Plan shall include:
- (i) Management Agent Owner shall submit the name and qualifications of the proposed management agent. The Agency shall approve or disapprove the proposed Management Agent in writing based on the experience and qualifications of the Management Agent.
 - (ii) Affirmative Marketing Plan In a format provided by the Agency, the Owner shall submit a plan for attracting to the Development tenants from those ethnic and racial groups least likely to reside in the Development in the absence of outreach efforts, and providing a method to insure a fair method of selecting tenants. Owner shall be responsible for implementing the approved plan at initial marketing of the Development.
 - (iii) Management Program In a format provided by the Agency, Owner or its management agent shall describe the proposed management, maintenance, tenant selection and occupancy policies and procedures for the Development. Such policies and procedures shall be consistent with this Agreement. The Owner shall not apply selection criteria which preclude tenants whose income is less than the maximum allowed income, and

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shall not discriminate in the rental of units among very low income, low income and moderate income applicants for tenancy who otherwise qualify for occupancy, for the sole reason of the income of such applicant.

- (iv) Management Agreement Owner shall submit a copy of the proposed management agreement specifying the amount of the management fee and the relationship and division of responsibilities between Owner and management agent.
- (v) Tenant Lease or Rental Agreement Owner shall submit a copy of the proposed tenant lease or rental agreement to be used in renting the dwelling units.
- (vi) Annual Budget Annually not later than ninety (90) days prior to the beginning of the next operation year of the Development, the Owner shall submit a projected operating budget to the Agency. The budget shall be in a form satisfactory to the Agency.
- (vii) Parking Management Plan Owner shall allocate the residential parking spaces among the dwelling units in accordance with a parking management plan to be included with the Management Plan. Residential tenants shall not be charged for parking space in the Improvements.
- (viii) Tenant Eligibility Review Owner must determine the income eligibility of each tenant household pursuant to the Agency's approved tenant certification procedures and maintain satisfactory documentation to the Agency for review and approval prior to the household's occupancy of one of the Development's units. Owner shall certify each tenant household's income on an annual basis.

(a) The Owner hereby covenants and agrees as follows: If at any time during the period when the Owner is required to manage the Development pursuant to the requirements set forth in this Exhibit F, the Agency determines that the Development is not being managed or maintained satisfactorily, the Owner shall change the agent or practices complained of, upon receipt of written notice from the Agency. The Agency may require the Owner to change management practices or to terminate the management contract and retain a different management agent, approved by the Agency. The management agreement shall provide that it is subject to termination by the Owner without penalty, upon thirty (30) days prior written notice, at the direction of the Agency. Within ten (10) days following a direction of the Agency to replace the management agent, the Owner shall select another management agent or make other arrangements satisfactory to the Agency Administrator or designee for continuing management of the Development.

(b) For the duration of the covenants set forth in this Exhibit F, occupancy standards shall be applied in the leasing of all units in the Development. These occupancy standards determine the minimum and maximum number of persons who may reside in each type of residential unit. Deviations from these standards may be allowed only with the prior written approval of the Agency Administrator or designee. The following occupancy standards shall apply to this Development:

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No. of Bedrooms	Minimum Persons	Maximum Persons
0/Eff.	1	1
1	1	3
2	2	5
3	4	7
4	5	9

8. Owner agrees to submit to the Agency on a annual basis an Occupancy Report in a form set forth by the Agency. The Occupancy Report shall indicate for every unit in the project the size of the unit, name of the tenants, family size, income at the time of initial occupancy, rent, move-in date and move-out date.

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CALIFORNIA STATE BOARD OF EQUALIZATION

**ORGANIZATIONAL CLEARANCE CERTIFICATE
FOR WELFARE OR VETERANS' ORGANIZATION EXEMPTION**



Organization Name and Mailing Address:

Hill RHF Housing, LLC
911 North Studebaker Road
c/o Retirement Housing Foundation
Long Beach

CA 90815

THIS CERTIFICATE NUMBER MUST BE
SUBMITTED TO A COUNTY WHEN FILING
A CLAIM FOR WELFARE OR VETERANS'
ORGANIZATION EXEMPTION

Organizational Information:

Date of Certificate: 12/01/2009
BOE Ex. No.: 21317
Purpose: Charitable
Corporate I.D. No.: 200805310216
Fiscal Year First Qualified: 09-10

In accordance with section 254.6
of the Revenue and Taxation
Code, the Board has determined
that this organization meets the
organizational requirements of
section 214.

BOE-277-OC REV.2 (4-09)

**NOTICE TO ORGANIZATIONS
GENERAL INFORMATION REGARDING
WELFARE OR VETERANS' ORGANIZATION EXEMPTION**

Your claim for an Organizational Clearance Certificate has been reviewed and a determination has been made that your organization meets the organizational requirements for exemption under section 214. A claim for the organizational clearance certificate will be mailed to the organization periodically to verify and update information. The claim form must be completed, signed, and filed with the Board, along with supporting documents, in order to maintain eligibility for the certificate. The Board may institute an audit or verification of the organization to determine whether the organization meets the organizational requirements of Revenue and Taxation Code section 214, as required by section 15618 of the Government Code. If you have any questions concerning the organizational requirements, you may contact the State Board of Equalization, Property and Special Taxes Department, County-Assessed Properties Division, Exemptions Section, at 916-445-3524.

The Assessor may not approve a property tax exemption claim on any property until the claimant has been issued a valid Organizational Clearance Certificate under section 254.6. The Assessor may deny a claim for the exemption, notwithstanding that the claimant has been granted an organizational clearance certificate. Claim forms for the welfare or veterans' organization exemption for property newly acquired by an organization may be obtained from the Assessor in the county where the property is located.

Annually, claims for the welfare and veterans' organization exemptions and supplemental affidavits, if required, must be filed on or before February 15 with the application to the applicable Assessor to avoid a late filing penalty under section 270. (A separate claim must be filed for each property location.) The Assessor will review all claims to determine that the organization continues to use its property for qualifying purposes and activities, as specified in section 214. Any questions relating to section 214 requirements regarding qualifying purposes and uses of the property may be directed to the Assessor.

STATE BOARD OF EQUALIZATION, PROPERTY AND SPECIAL TAXES DEPARTMENT

COUNTY-ASSESSED PROPERTIES DIVISION

PO BOX 942879, MIC:64, Sacramento, CA 94279-0064

Exemptions Section: 916-445-3524; Division: 916-445-4982

WELFARE OR VETERANS' ORGANIZATION EXEMPTION ORGANIZATIONAL CLEARANCE CERTIFICATE FINDING SHEET

DATE: 12/01/2009

Organization Name and Mailing Address:

Organization Information:

Hill RHF Housing, LLC
911 North Studebaker Road
c/o Retirement Housing Foundation
Long Beach

CA 90815

BOE Ex. No.: 21317 Status: Active

Purpose: Charitable

Corporate I.D. No.: 200805310216

Fiscal Year: 09-10

Under the provisions of section 254.6 of the Revenue and Taxation Code, we have reviewed the Claim for Organizational Clearance Certificate together with other material submitted for the above organization. Our finding is that the requirements of section 214 or section 215.1 and following of the Revenue and Taxation Code, which provide for the welfare or veterans' organization exemption, have "Been Met," "Not Been Met," or your claim was determined to be "Incomplete" as indicated below:

☒ BEEN MET☐ INCOMPLETE☐ NOT BEEN MET

PURPOSE:

☐ A.I.☐ R.N.A.☐ Religious☐ A.A.I.☐ H.N.A.☐ Hospital☐ I.D.☐ S.N.A.☐ Scientific☐ D.C.☐ C.N.A.☒ Charitable☐ N.T.L.☐ N.F.S.☐ N.O.S.

If this finding sheet indicates an Incomplete or Not Been Met finding, you may submit additional information and/or documents in support of your claim. Please submit such documents, along with this finding sheet, to the address listed on the top of this form.

SEE REVERSE FOR DESCRIPTION OF CODES AND BELOW FOR ADDITIONAL COMMENTS REGARDING THE ORGANIZATION'S FINDING:

Amended. Our review indicates that you now qualify.

In addition, you filed a claim for Organizational Clearance Certificate (OCC), Form BOE-277-LLC, seeking the earliest fiscal year as 08-09. However, for purposes of the OCC, the organization does not qualify for 08-09 since you were organized on 02/20/08, which is after the 01/01/08 lien date which corresponds to the 08-09 fiscal year. However, your organization may be eligible for exemption from the Assessor for the earlier year for purposes of Revenue & Taxation Code section 271.

---Please submit a copy of this Finding Sheet to the Assessor along with a copy of your OCC.

(Please note that the Assessor may not grant a Welfare or Veterans' Organization tax exemption on a claimant's property until the claimant has been issued a valid organizational clearance certificate according to section 254.6 of the Revenue and Taxation Code.)

The claimant may appeal the Board of Equalization staff's finding of ineligibility with the Board within 60 days of the date of mailing of the final notice of ineligibility (form BOE-277-F2). The appeal shall be in writing and shall state specific grounds upon which the appeal is founded. The Board shall conduct a hearing and shall provide written findings to support its decision.

STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION
PROPERTY AND SPECIAL TAXES DEPARTMENT
450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064
916 445-4982 • FAX 916 323-8765
www.boe.ca.gov



BETTY T. YEE
First District, San Francisco

BILL LEONARD
Second District, Ontario/Sacramento

MICHELLE STEEL
Third District, Rolling Hills Estates

JEROME E. HORTON
Fourth District, Los Angeles

JOHN CHIANG
State Controller

RAMON J. HIRSIG
Executive Director

ORGANIZATIONAL CLEARANCE CERTIFICATE
ATTACHMENT TO FINDING SHEET
BEEN MET

In response to your claim for *Organizational Clearance Certificate* (Form BOE-277 or BOE-279), enclosed is a *Welfare or Veterans' Organization Exemption Organizational Clearance Certificate Finding Sheet* (Form BOE-277-F) indicating that the requirements for the certificate have "Been Met." Also enclosed is an *Organizational Clearance Certificate* which indicates that your organization is currently eligible for the welfare or veterans' organization exemption.

Please **retain** this certificate as it is needed for future filings of welfare or veterans' exemption claims filed with the county assessor in any of the 58 California counties. If you have already submitted claim form BOE-267, *Claim for Welfare Exemption (First Filing)*, or BOE-269, *Claim for Veterans' Organization Exemption*, to a county assessor, please forward a copy of this certificate to that county.

Sincerely,

James Anderson
Supervising Property Appraiser
County-Assessed Properties Division

JA:lf 7-09
Enclosure

CALIFORNIA STATE BOARD OF EQUALIZATION

**ORGANIZATIONAL CLEARANCE CERTIFICATE
FOR WELFARE OR VETERANS' ORGANIZATION EXEMPTION**



Organization Name and Mailing Address:

Olive RHF Housing, LLC
911 North Studebaker Road
c/o Retirement Housing Foundation
Long Beach

CA 90815

THIS CERTIFICATE NUMBER MUST BE
SUBMITTED TO A COUNTY WHEN FILING
A CLAIM FOR WELFARE OR VETERANS'
ORGANIZATION EXEMPTION

Organizational Information:

Date of Certificate: 12/01/2009
BOE Ex. No.: 21318
Purpose: Charitable
Corporate I.D. No.: 200805310213
Fiscal Year First Qualified: 09-10

In accordance with section 254.6
of the Revenue and Taxation
Code, the Board has determined
that this organization meets the
organizational requirements of
section 214.

BOE-277-OC REV.2 (4-09)

**NOTICE TO ORGANIZATIONS
GENERAL INFORMATION REGARDING
WELFARE OR VETERANS' ORGANIZATION EXEMPTION**

Your claim for an Organizational Clearance Certificate has been reviewed and a determination has been made that your organization meets the organizational requirements for exemption under section 214. A claim for the organizational clearance certificate will be mailed to the organization periodically to verify and update information. The claim form must be completed, signed, and filed with the Board, along with supporting documents, in order to maintain eligibility for the certificate. The Board may institute an audit or verification of the organization to determine whether the organization meets the organizational requirements of Revenue and Taxation Code section 214, as required by section 15618 of the Government Code. If you have any questions concerning the organizational requirements, you may contact the State Board of Equalization, Property and Special Taxes Department, County-Assessed Properties Division, Exemptions Section, at 916-445-3524.

The Assessor may not approve a property tax exemption claim on any property until the claimant has been issued a valid Organizational Clearance Certificate under section 254.6. The Assessor may deny a claim for the exemption, notwithstanding that the claimant has been granted an organizational clearance certificate. Claim forms for the welfare or veterans' organization exemption for property newly acquired by an organization may be obtained from the Assessor in the county where the property is located.

Annually, claims for the welfare and veterans' organization exemptions and supplemental affidavits, if required, must be filed on or before February 15 with the application to the applicable Assessor to avoid a late filing penalty under section 270. (A separate claim must be filed for each property location.) The Assessor will review all claims to determine that the organization continues to use its property for qualifying purposes and activities, as specified in section 214. Any questions relating to section 214 requirements regarding qualifying purposes and uses of the property may be directed to the Assessor.

STATE BOARD OF EQUALIZATION, PROPERTY AND SPECIAL TAXES DEPARTMENT

COUNTY-ASSESSED PROPERTIES DIVISION

PO BOX 942879, MIC:64, Sacramento, CA 94279-0064

Exemptions Section: 916-445-3524; Division: 916-445-4982

WELFARE OR VETERANS' ORGANIZATION EXEMPTION ORGANIZATIONAL CLEARANCE CERTIFICATE FINDING SHEET

DATE: 12/01/2009

Organization Name and Mailing Address:

Organization Information:

Olive RHF Housing, LLC
911 North Studebaker Road
c/o Retirement Housing Foundation
Long Beach

CA 90815

BOE Ex. No.: 21318 Status: Active

Purpose: Charitable

Corporate I.D. No.: 200805310213

Fiscal Year: 09-10

Under the provisions of section 254.6 of the Revenue and Taxation Code, we have reviewed the Claim for Organizational Clearance Certificate together with other material submitted for the above organization. Our finding is that the requirements of section 214 or section 215.1 and following of the Revenue and Taxation Code, which provide for the welfare or veterans' organization exemption, have "Been Met," "Not Been Met," or your claim was determined to be "Incomplete" as indicated below:

☒ BEEN MET☐ INCOMPLETE☐ NOT BEEN MET

PURPOSE:

☐ A.I.☐ R.N.A.☐ Religious☐ A.A.I.☐ H.N.A.☐ Hospital☐ I.D.☐ S.N.A.☐ Scientific☐ D.C.☐ C.N.A.☒ Charitable☐ N.T.L.☐ N.F.S.☐ N.O.S.

If this finding sheet indicates an Incomplete or Not Been Met finding, you may submit additional information and/or documents in support of your claim. Please submit such documents, along with this finding sheet, to the address listed on the top of this form.

SEE REVERSE FOR DESCRIPTION OF CODES AND BELOW FOR ADDITIONAL COMMENTS REGARDING THE ORGANIZATION'S FINDING:

Amended. Our review indicates that you now qualify.

In addition, you filed a claim for Organizational Clearance Certificate (OCC), Form BOE-277-LLC, seeking the earliest fiscal year as 08-09. However, for purposes of the OCC, the organization does not qualify for 08-09 since you were organized on 02/20/08, which is after the 01/01/08 lien date which corresponds to the 08-09 fiscal year. However, your organization may be eligible for exemption from the Assessor for the earlier year for purposes of Revenue & Taxation Code section 271.

---Please submit a copy of this Finding Sheet to the Assessor along with a copy of your OCC.

(Please note that the Assessor may not grant a Welfare or Veterans' Organization tax exemption on a claimant's property until the claimant has been issued a valid organizational clearance certificate according to section 254.6 of the Revenue and Taxation Code.)

The claimant may appeal the Board of Equalization staff's finding of ineligibility with the Board within 60 days of the date of mailing of the final notice of ineligibility (form BOE-277-F2). The appeal shall be in writing and shall state specific grounds upon which the appeal is founded. The Board shall conduct a hearing and shall provide written findings to support its decision.



STATE BOARD OF EQUALIZATION
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State Controller

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ORGANIZATIONAL CLEARANCE CERTIFICATE
ATTACHMENT TO FINDING SHEET
BEEN MET

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Please **retain** this certificate as it is needed for future filings of welfare or veterans' exemption claims filed with the county assessor in any of the 58 California counties. If you have already submitted claim form BOE-267, *Claim for Welfare Exemption (First Filing)*, or BOE-269, *Claim for Veterans' Organization Exemption*, to a county assessor, please forward a copy of this certificate to that county.

Sincerely,

James Anderson
Supervising Property Appraiser
County-Assessed Properties Division

JA:lf 7-09
Enclosure

CALIFORNIA STATE BOARD OF EQUALIZATION

**SUPPLEMENTAL CLEARANCE CERTIFICATE
FOR LIMITED PARTNERSHIP LOW-INCOME HOUSING
PROPERTY — WELFARE EXEMPTION**



Managing General Partner of Limited Partnership:

Hill RHF Housing, LLC
911 North Studebaker Road
c/o Retirement Housing Foundation
Long Beach CA 90815

OCC No.: 21317
Corp. ID: 200805310216

THIS CERTIFICATE MUST BE SUBMITTED TO
THE COUNTY ASSESSOR WHEN FILING A
CLAIM FOR WELFARE EXEMPTION FOR
LOW-INCOME HOUSING PROPERTY.

Name of Limited Partnership and Property Location:

Hill RHF Housing Partners, L.P.
255 South Hill Street
Los Angeles
LOS ANGELES

Date of Certificate: 12/01/2009 SCC No.: 4658
Fiscal Year First Qualified: 09-10

In accordance with section 254.6
of the Revenue and Taxation
Code, the Board has determined
that this property meets all the
organizational requirements of
section 214(g) and Property Tax
Rules 140, 140.1 and 140.2.

BOE-277-SCC REV. 3 (2-07)

**NOTICE TO LIMITED PARTNERSHIP
CLAIMING WELFARE EXEMPTION FOR LOW-INCOMING HOUSING PROPERTY**

This Supplemental Clearance Certificate (SCC) is issued to the limited partnership for the low-income housing property listed above. The nonprofit managing general partner of this limited partnership has qualified for an Organizational Clearance Certificate (OCC) (BOE-277-OCC) issued by the Board of Equalization (Board), and qualifies to be an eligible managing general partner for the limited partnership for the purposes of claiming the welfare exemption for the low-income housing property. This SCC verifies that the Board has determined that the limited partnership has met the organizational requirements to qualify for the welfare exemption for the above listed property.

To ensure continued qualification for the SCC, claim form BOE-277-L1 must be filed with the managing general partner's Periodic Filing for Organizational Clearance Certificate, Welfare or Veterans' Organization Exemption (BOE-277-P). The claim form must be completed, signed, and filed with the Board, along with supporting documents, if any, in order to maintain the limited partnership's eligibility for the SCC. The Board may institute an audit of the limited partnership to ascertain whether the limited partnership meets the organizational requirements of Revenue and Taxation Code section 214(g) and Property Tax Rules 140, 140.1 and 140.2 to qualify for the welfare exemption. If you have any questions concerning the requirements, you may contact the State Board of Equalization, Property and Special Taxes Department, County-Assessed Properties Division, Exemptions Section, at 916-445-3524.

The county assessor may not approve a welfare exemption claim on low-income housing property owned by a limited partnership unless the managing general partner of the limited partnership holds a valid OCC in accordance with Revenue and Taxation Code section 254.6 and the limited partnership holds a valid SCC. The assessor may deny a claim for the exemption notwithstanding the fact that the limited partnership has been granted a SCC and the managing general partner has been issued an OCC. Annually, claims for the welfare exemption must be filed on or before February 15 with the assessor of the county in which the property is located in order to avoid a late filing penalty under section 270. Exemption claim forms may be obtained from the assessor.

STATE BOARD OF EQUALIZATION, PROPERTY AND SPECIAL TAXES DEPARTMENT

COUNTY-ASSESSED PROPERTIES DIVISION

PO BOX 942879, MIC:64, Sacramento, CA 94279-0064

Exemptions Section: 916-445-3524; Division: 916-445-4982

**SUPPLEMENTAL CLEARANCE CERTIFICATE FINDING SHEET
FOR LIMITED PARTNERSHIP LOW-INCOME HOUSING PROPERTY
WELFARE EXEMPTION**

DATE: 12/01/2009

Nonprofit Corporation or Limited Liability Company:

Name of Limited Partnership and Property Location:

Hill RHF Housing, LLC
911 North Studebaker Road
c/o Retirement Housing Foundation
Long Beach

CA 90815

BOE EX. No.: 21317
Corp. ID: 200805310216

Status: Active
Purpose: Charitable

Hill RHF Housing Partners, L.P.

255 South Hill Street
Los Angeles

County: LOS ANGELES

LP Prop. No.: 4658

Fiscal Year: 09-10

Status: Active

Under the provisions of section 254.6 of the Revenue and Taxation Code, we have reviewed the Claim for Supplemental Clearance Certificate for Limited Partnership, Low Income Housing Property - Welfare Exemption (BOE-277-L1) and supporting documents to determine if the organizational requirements for exemption are met for this property under section 214(g). Our finding is that the requirements of section 214(g) have "Been Met," "Not Been Met," or your claim was determined to be "Incomplete" as indicated below:

☒ BEEN MET☐ INCOMPLETE☐ NOT BEEN MET☐ N.O.C.C.☐ M.G.P.☐ N.R.A.☐ N.L.P1☐ P.N.F.

If this finding sheet indicates an Incomplete or Not Been Met finding, you may submit additional information and/or documents in support of your claim. Please submit such documents, along with this finding sheet, to the address listed on the top of this form.

SEE REVERSE FOR DESCRIPTION OF CODES AND BELOW FOR ADDITIONAL COMMENTS REGARDING THE ORGANIZATION'S FINDING:

Amended. Our review indicates that you now qualify. Please retain Supplemental Clearance Certificate (SCC) safely with other legal documents.

Note: Claimant filed a claim for SCC seeking the earliest fiscal year as 08-09. However, the property does not qualify for FY 08-09 for purposes of the SCC since the property was acquired 10/20/08, which is after the 01/01/08 lien date that corresponds to the 08-09 fiscal year. Thus for purposes of the SCC, the earliest year is 09-10. You may be eligible for exemption for earlier years for purposes of section 271 since you were admitted to the partnership prior to property acquisition.

---Provide a copy of this Finding Sheet to the Assessor, along with a copy of your SCC.

(Please note that the Assessor may not grant a Welfare tax exemption on a low-income property owned by a limited partnership, in which the managing general partner is a nonprofit corporation or limited liability company until the managing general partner has been issued a valid Organizational Clearance Certificate pursuant to section 254.6 of the Revenue and Taxation Code and the limited partnership has been issued a valid Supplemental Clearance Certificate for Limited Partnership Low-Income Housing Property - Welfare Exemption.)

The claimant may appeal the Board of Equalization staff's finding of ineligibility with the Board of Equalization (Board) within 60 days of the date of mailing of the final notice of ineligibility (BOE-277-SF2 Supplemental Clearance Certificate - Final Notice for Limited Partnership Low-Income Housing Property - Welfare Exemption). The appeal shall be in writing and shall state specific grounds upon which the appeal is founded. The appeals are conducted according to the Board's Rules of Practice, available on the Board's website at www.boe.ca.gov.



STATE BOARD OF EQUALIZATION
PROPERTY AND SPECIAL TAXES DEPARTMENT
450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0084
916 445-4982 • FAX 916 323-8765
www.boe.ca.gov

BETTY T. YEE
First District, San Francisco

BILL LEONARD
Second District, Ontario/Sacramento

MICHELLE STEEL
Third District, Rolling Hills Estates

JEROME E. HORTON
Fourth District, Los Angeles

JOHN CHIANG
State Controller

RAMON J. HIRSIG
Executive Director

SUPPLEMENTAL CLEARANCE CERTIFICATE
FOR LIMITED PARTNERSHIP
LOW-INCOME HOUSING PROPERTY – WELFARE EXEMPTION
ATTACHMENT TO FINDING SHEET - BEEN MET

In response to your claim for supplemental clearance certificate (BOE-277-L1), enclosed is a *Supplemental Clearance Certificate – Finding Sheet for Limited Partnership Low-Income Housing Property Welfare Exemption* (Form BOE-277-SF) indicating that the requirements for the certificate have "Been Met." Also enclosed is a *Supplemental Clearance Certificate for Limited Partnership Low-Income Housing Property Welfare Exemption* (BOE-277-SCC) which indicates that a specific low-income housing property owned by a limited partnership in which a nonprofit corporation or limited liability company is a qualified managing general partner is eligible for the welfare exemption. Please **retain** this certificate as it may be needed for future filings of welfare exemption claims filed with the county assessor. Please forward a copy of this certificate to the county assessor where the property is located.

Sincerely,

James Anderson
Supervising Property Appraiser
County-Assessed Properties Division

JA:lf 7-09
Enclosure

CALIFORNIA STATE BOARD OF EQUALIZATION

**SUPPLEMENTAL CLEARANCE CERTIFICATE
FOR LIMITED PARTNERSHIP LOW-INCOME HOUSING
PROPERTY — WELFARE EXEMPTION**



Managing General Partner of Limited Partnership:

Olive RHF Housing, LLC
911 North Studebaker Road
c/o Retirement Housing Foundation
Long Beach CA 90815

OCC No.: 21318
Corp. ID: 200805310213

THIS CERTIFICATE MUST BE SUBMITTED TO
THE COUNTY ASSESSOR WHEN FILING A
CLAIM FOR WELFARE EXEMPTION FOR
LOW-INCOME HOUSING PROPERTY.

Name of Limited Partnership and Property Location:

Olive RHF Housing Partners, L.P.
200 South Olive Street
Los Angeles
LOS ANGELES

Date of Certificate: 12/01/2009 SCC No.: 4659
Fiscal Year First Qualified: 09-10

In accordance with section 254.6
of the Revenue and Taxation
Code, the Board has determined
that this property meets all the
organizational requirements of
section 214(g) and Property Tax
Rules 140, 140.1 and 140.2.

BOE-277-SCC REV. 3 (2-07)

**NOTICE TO LIMITED PARTNERSHIP
CLAIMING WELFARE EXEMPTION FOR LOW-INCOMING HOUSING PROPERTY**

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To ensure continued qualification for the SCC, claim form BOE-277-L1 must be filed with the managing general partner's Periodic Filing for Organizational Clearance Certificate, Welfare or Veterans' Organization Exemption (BOE-277-P). The claim form must be completed, signed, and filed with the Board, along with supporting documents, if any, in order to maintain the limited partnership's eligibility for the SCC. The Board may institute an audit of the limited partnership to ascertain whether the limited partnership meets the organizational requirements of Revenue and Taxation Code section 214(g) and Property Tax Rules 140, 140.1 and 140.2 to qualify for the welfare exemption. If you have any questions concerning the requirements, you may contact the State Board of Equalization, Property and Special Taxes Department, County-Assessed Properties Division, Exemptions Section, at 916-445-3524.

The county assessor may not approve a welfare exemption claim on low-income housing property owned by a limited partnership unless the managing general partner of the limited partnership holds a valid OCC in accordance with Revenue and Taxation Code section 254.6 and the limited partnership holds a valid SCC. The assessor may deny a claim for the exemption notwithstanding the fact that the limited partnership has been granted a SCC and the managing general partner has been issued an OCC. Annually, claims for the welfare exemption must be filed on or before February 15 with the assessor of the county in which the property is located in order to avoid a late filing penalty under section 270. Exemption claim forms may be obtained from the assessor.

STATE BOARD OF EQUALIZATION, PROPERTY AND SPECIAL TAXES DEPARTMENT

COUNTY-ASSESSED PROPERTIES DIVISION

PO BOX 942879, MIC:64, Sacramento, CA 94279-0064

Exemptions Section: 916-445-3524; Division: 916-445-4982

**SUPPLEMENTAL CLEARANCE CERTIFICATE FINDING SHEET
FOR LIMITED PARTNERSHIP LOW-INCOME HOUSING PROPERTY
WELFARE EXEMPTION**

DATE: 12/01/2009

Nonprofit Corporation or Limited Liability Company:

Name of Limited Partnership and Property Location:

Olive RHF Housing, LLC
911 North Studebaker Road
c/o Retirement Housing Foundation
Long Beach

CA 90815

BOE EX. No.: 21318
Corp. ID: 200805310213

Status: Active
Purpose: Charitable

Olive RHF Housing Partners, L.P.

200 South Olive Street
Los Angeles

County: LOS ANGELES

LP Prop. No.: 4659

Fiscal Year: 09-10

Status: Active

Under the provisions of section 254.6 of the Revenue and Taxation Code, we have reviewed the Claim for Supplemental Clearance Certificate for Limited Partnership, Low Income Housing Property - Welfare Exemption (BOE-277-L1) and supporting documents to determine if the organizational requirements for exemption are met for this property under section 214(g). Our finding is that the requirements of section 214(g) have "Been Met," "Not Been Met," or your claim was determined to be "Incomplete" as indicated below:

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---Provide a copy of this Finding Sheet to the Assessor, along with a copy of your SCC.

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First District, San Francisco

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MICHELLE STEEL
Third District, Rolling Hills Estates

JEROME E. HORTON
Fourth District, Los Angeles

JOHN CHIANG
State Controller

RAMON J. HIRSIG
Executive Director

SUPPLEMENTAL CLEARANCE CERTIFICATE
FOR LIMITED PARTNERSHIP
LOW-INCOME HOUSING PROPERTY – WELFARE EXEMPTION
ATTACHMENT TO FINDING SHEET - BEEN MET

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Sincerely,

James Anderson
Supervising Property Appraiser
County-Assessed Properties Division

JA:lf 7-09
Enclosure

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PROOF OF SERVICE BY E-MAIL

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is **12400 Wilshire Boulevard, Suite 800, Los Angeles, California 90025.**

On June 25, 2018, I served the foregoing document described as:

PLAINTIFF’S/PETITIONER’S REQUEST FOR JUDICIAL NOTICE

on all interested parties in this action by *emailing* a true copy thereof to counsel for all interested parties pursuant to the Consent to Electronic Service And Notice of Electronic Notification Address in accordance with California Rules of Court 2.251 as follows:

Daniel M. Whitley, Esq. Deputy City Attorney City Hall East 200 N. Main Street, Room 920 Los Angeles, CA 90012 Telephone: (213) 978-7786 Facsimile: (213) 978-7811 Email: daniel.whitley@lacity.org <i>Attorneys for City of Los Angeles</i>	Michael G. Colantuono, Esq Holly O. Whatley, Esq. Pamela K. Graham, Esq. Colantuono, Highsmith & Whatley, PC 790 East Colorado Boulevard, Suite 850 Pasadena, CA 91101 Telephone: (213) 542-5700 Facsimile: (213) 542-5710 Email: mcolantuono@chwlaw.us Email: hwhatley@chwlaw.us Email: pgraham@chwlaw.us <i>Attorneys for San Pedro Property Owners Alliance</i>
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I am familiar with the office practice of Reuben Raucher & Blum for collecting and processing documents for delivery by E-mail. Under that practice, documents and email by Reuben Raucher & Blum personnel responsible for emailing are transmitted on that same day in the ordinary course of business. I emailed the above referenced documents, by agreement of the parties, to the address listed above.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on June 25, 2018, at Los Angeles, California.

Nathalie Quach